the Committee on Rivers and Harbors and ordered to be printed with illustrations.

571. A letter from the Secretary of War, transmitting report from the Chief of Engineers on Saranac River, N. Y., covering navigation, flood control, power development, and irrigation; to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 10676. A bill to restrict the expeditious handling, transportation, and delivery of certain mail matter where local or contractual conditions are inadequate; with amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIMMONS: Committee on Appropriations. H. J. Res. 373. A joint resolution making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1931, and for other purposes; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIMMONS: Committee on Appropriations. H. J. Res. 384. A joint resolution making appropriations available to carry into effect the provisions of the act of the Seventy-first Congress entitled "An act to fix the salaries of officers and members of the Metropolitan police force and the fire department of the District of Columbia"; without amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the state of the Union.

Mr. SNELL: Committee on Rules. H. Res. 271. A resolution to make in order motions to suspend the rules; without amendment (Rept. No. 2028). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 13062) granting a pension to Ella I. Dewire; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1534) granting a pension to Rebecca H. Cook; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 13155) to enact a uniform pension law for disabilities incurred in war service and granting pensions and increase of pensions to certain soldiers, sailors, and marines who served the United States in time of war; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 13156) granting pensions to certain widows, minor children, and helpless children of certain soldiers, sailors, and marines of the World War; to the Committee on Pensions.

By Mr. DAVIS: A bill (H. R. 13157) relating to suits for infringement of patents where the patentee is violating the anti-trust laws; to the Committee on Patents.

By Mr. HALE: A bill (H. R. 13158) for the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves, and for other purposes; to the Committee on Naval Affairs.

By Mr. DICKINSON: Resolution (H. Res. 272) authorizing the appointment of a select committee to investigate stock-exchange manipulations, and for other purposes; to the Committee on Rules.

By Mr. SIROVICH: Joint resolution (H. J. Res. 386) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 13159) granting an increase of pension to Eliza A. Goodwin; to the Committee on Invalid Pensions.

By Mr. BRIGGS: A bill (H. R. 13160) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Rosenberg Library, in the city of Galveston, Tex., the silver service presented to the United States for the cruiser *Galveston;* to the Committee on Naval Affairs.

By Mr. CRADDOCK: A bill (H. R. 13161) granting a pension to E. V. Ferrell; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 13162) granting a pension to Margaret A. Mishler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13163) granting a pension to Austin Denham; to the Committee on Pensions.

By Mr. HOFFMAN: A bill (H. R. 13164) granting an increase of pension to Adella E. Fackler; to the Committee on Invalid Pensions.

By Mr. HOLADAY: A bill (H. R. 13165) granting a pension to Amelia Best; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 13166) granting an increase of pension to Rosa A. Burnam; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13167) granting a pension to Clarissa J. Whitmer; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 13168) for the relief of Samuel Le Roy Layton; to the Committee on Claims.

By Mr. LETTS: A bill (H. R. 13169) for the relief of Sarah J. Rosa; to the Committee on Military Affairs.

By Mr. PITTENGER: A bill (H. R. 13170) for the relief of Pete Jelovac; to the Committee on Claims.

By Mr. STRONG of Kansas: A bill (H. R. 13171) granting a pension to Clementine Layton; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 13172) for the relief of Harry E. Craven; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 13173) granting an increase of pension to Josephine Holloway; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7651. By Mr. CRAIL: Petition of International Narcotic Education Association of New York City, favoring an appropriation for American representation at the International Conference on Limitation of Manufacture of Narcotic Drugs at Geneva, December 1, the preliminary conference of manufacturing nations at London July 20, and at the preliminary conference of victim nations not yet called in the interests of America and mankind; to the Committee on Foreign Affairs.

7652. By Mr. O'CONNOR of New York: Resolution of the New York State Bankers' Association, in support of House bill 12490; to the Committee on Banking and Currency.

7653. By Mr. CAMPBELL of Iowa: Petition of the Woman's Christian Temperance Union, of Spencer, Iowa, urging Congress to enact a law for the Federal supervision of motion pictures establishing higher standards before production for films that are to be licensed for interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, *June 26, 1930*

The Senate met at 11 o'clock a. m.

Rev. James W. Morris, D. D., assistant rector, Church of the Epiphany, city of Washington, offered the following prayer:

Almighty, Ever-Living God, blessed and only Potentate, King of kings and Lord of lords, to whom all things in heaven and on earth do bow, we praise Thy great name for the abundant blessings, temporal and spiritual, that Thou hast graciously vouchsafed to this people and Nation. And we beseech Thee, of Thy goodness, so to direct and dispose the minds and hearts of all in authority over us that by their enactment of righteous laws and by their true and impartial administration of the same, wickedness and vice may be swiftly punished and virtue and true religion fully maintained. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. MCNARY and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. MCNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Dill	La Follette	Sheppard
Ashurst	Fess	McCulloch	Shipstead
Barkley	George	McKellar	Shortridge
Bingham	Gillett	McMaster	Steck
Black	Glass	McNary	Steiwer
Blaine	Glenn	Metcalf	Stephens
Borah	Goldsborough	Moses	Sullivan
Brock	Hale	Norris	Swanson
Broussard	Harris	Oddie	Thomas, Idaho
Capper	Harrison	Overman	Thomas, Okla.
Caraway	Hastings	Patterson	Trammell
Connally	Hayden	Phipps	Tydings
Copeland	Howell	Pittman	Vandenberg
Couzens	Johnson	Ransdell	Wagner
Cutting	Jones	Reed	Walsh, Mass.
Dale	Kean	Robinson, Ind.	Walsh, Mont.
Deneen	Kendrick	Robsion, Ky.	Watson

Mr. SHEPPARD. The Senator from Florida [Mr. FLETCHER], the senior Senator from South Carolina [Mr. SMITH], the Senator from Utah [Mr. KING], and the Senator from Missouri [Mr. HAWES] are necessarily detained from the Senate by illness.

The junior Senator from South Carolina [Mr. BLEASE] and the senior Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate by reason of illness in their families.

The VICE PRESIDENT. Sixty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 7119. An act to authorize the establishment of a Coast Guard station on the coast of Florida at or in the vicinity of Lake Worth Inlet;

H. R. 7639. An act to amend an act entitled "An act to authorize payment of six months' death gratuity to dependent relative of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928;

H. R. 11136. An act authorizing the Florence Bridge Co., its successors and assigns, to construct, maintain, and operate a toll bridge across the Missouri River at Florence, Nebr.;

H. R. 11623. An act to provide for the appointment of an additional district judge for the southern district of Texas;

H. R. 12844. An act granting the consent of Congress to the State of Montana, the counties of Roosevelt, Richland, and McCone, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.;

H. R. 12919. An act granting the consent of Congress to the State of Montana or any political subdivisions or public agencies thereof, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River southerly from the Fort Belknap Indian Reservation at or near the point known and designated as the Power-site Crossing or at or near the point known and designated as Wilder Ferry;

H. R. 12920. An act granting the consent of Congress to the State of Montana and the counties of Roosevelt and Richland, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 12993. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Little Calumet River at One hundred and fifty-ninth Street in Cook County, State of Illinois;

H. J. Res. 303. Joint resolution to amend Public Resolution No. 80, Seventieth Congress, second session, relating to payment of certain claims of grain elevators and grain firms;

H. J. Res. 321. Joint resolution to authorize an appropriation of $4,500 for the expenses of participation by the United States in an International Conference on the Unification of Buoyage and Lighting of Coasts, Lisbon, 1930; and

H. J. Res. 372. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., in consideration of the relinquishment by the United States of all its rights and interest under a lease of such island dated July 5, 1918.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President;

S. 3068. An act to amend section 355 of the Revised Statutes;

S. 3422. An act to authorize the Tidewater Toll Properties (Inc.), its legal representatives and assigns, to construct, maintain, and operate a bridge across the Patuxent River, south of Burch, Calvert County, Md.;

S. 3623. An act for reimbursement of James R. Sheffield, formerly American ambassador to Mexico City;

H. R. 396. An act for the relief of J. H. Muus;

H. R. 414. An act for the relief of Angelo Cerri;

H. R. 597. An act for the relief of M. L. Willis;

H. R. 609. An act authorizing the Secretary of the Treasury to pay certain moneys to James McCann;

H. R. 864. An act for the relief of W. P. Thompson;

H. R. 1174. An act for the relief of A. N. Worstell;

H. R. 1485. An act for the relief of Arthur H. Thiel;

H. R. 1509. An act for the relief of Maude L. Duborg;

H. R. 1510. An act for the relief of Thomas T. Grimsley;

H. R. 1739. An act for the relief of J. A. Miller;

H. R. 2021. An act to authorize the establishment of boundary lines for the March Field Military Reservation, Calif.;

H. R. 2166. An act for the relief of Mrs. W. M. Kittle;

H. R. 2167. An act for the relief of Sarah E. Edge;

H. R. 2810. An act for the relief of Katherine Anderson;

H. R. 3431. An act for the relief of Charles H. Young;

H. R. 6347. An act to amend section 101 of the Judicial Code, as amended (U. S. C., Supp. III, title 28, sec. 182);

H. R. 6718. An act for the relief of Michael J. Bauman;

H. R. 10461. An act authorizing Royce Kershaw, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Coosa River at or near Gilberts Ferry, about 8 miles southwest of Gadsden, in Etowah County, Ala.;

H. R. 11515. An act to provide for the sale of the Government building site located on the State line dividing West Point, Ga., and Lanett, Ala., and for the acquisition of new sites and construction of Government buildings thereon in such cities; and

H. J. Res. 14. Joint resolution to provide for the annual contribution of the United States toward the support of the Central Bureau of the International Map of the World on the Millionth Scale.

GLEN D. TOLMAN

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 936) for the relief of Glen D. Tolman, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HOWELL. I move that the Senate insist on its amendment, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HOWELL, Mr. MCMASTER, and Mr. BLACK conferees on the part of the Senate.

MARY R. LONG

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 887) for the relief of Mary R. Long, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HOWELL. I move that the Senate insist on its amendments, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

Th motion was agreed to; and the Vice President appointed Mr. HOWELL, Mr. MCMASTER, and Mr. BLACK conferees on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions of the Municipal Government of Guagua, Pampanga, P. I., expressing gratitude to the members of the Committee on Territories and Insular Affairs of the Senate who voted in favor of the so-called Hawes-Cutting resolution relative to the independence of the Philippine Islands, which were ordered to lie on the table.

Mr. BLAINE presented resolutions adopted by five lodges of the Slovene National Benefit Society of Milwaukee and West Allis, in the State of Wisconsin, opposing the passage of legislation requiring the voluntary or compulsory registration of any or all aliens or citizens of the United States, which were referred to the Committee on Immigration.

REPORTS OF COMMITTEES

Mr. MCNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4586) to authorize additional appropriations for the national arboretum, reported it without amendment and submitted a report (No. 1100) thereon.

Mr. REED, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2980. A bill to authorize and direct the Comptroller General to allow certain expenditures in the War Department (Rept. No. 1101);

H. R. 3592. An act to further amend section 37 of the national defense act of June 4, 1920, as amended by section 2 of the act of September 22, 1922, so as to more clearly define the status of reserve officers not on active duty or on active duty for training only (Rept. No. 1102); and

H. R. 11409. An act to authorize the erection of a tablet in the Fort Sumter Military Reservation to the memory of the garrison at Fort Sumter during the siege of 1861 (Rept. No. 1103).

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 12285) to authorize the Postmaster General to purchase motor-truck parts from the truck manufacturer, reported it without amendment.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 9408) to amend the act of March 3, 1917, an act making appropriations for the general expenses of the District of Columbia, reported it without amendment and submitted a report (No. 1104) thereon.

Mr. COUZENS, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 12599) to amend section 16 of the radio act of 1927, reported it without amendment and submitted a report (No. 1105) thereon.

CONSTRUCTION AT MILITARY POSTS

Mr. McMASTER, from the Committee on Military Affairs, reported an amendment to the bill (H. R. 8159) to authorize appropriation for construction at the United States Military Academy, West Point, N. Y.; Fort Lewis, Wash.; Fort Benning, Ga.; and for other purposes, heretofore reported from that committee without amendment, which was ordered to be printed, and to be printed in the RECORD, as follows:

On page 3, at the end of the bill, insert a new section, as follows:

"SEC. 5. (a) For the purpose of enabling the Secretary of War to obtain possession and legal title to the certain hotel building, appurtenances, and equipment, now located and situated on the grounds of the West Point Military Academy, and known as the Thayer-West Point Hotel, from any and all persons, corporations, or associations holding any title or interest in said hotel building, appurtenances, and equipment, as provided by the act of March 20, 1920 (41 Stat. L. 548), and the lease pursuant thereto entered into October 17, 1924, between the Secretary of War and Herbert Williams, which said lease is hereby terminated, the Secretary of War is authorized and directed to appoint three competent persons to act as a board of appraisers for the purpose of determining the present market value of the hotel building, appurtenances, and equipment, and a report thereof made to the Secretary of War. The Secretary of War shall submit to Congress at the earliest practicable date the report of the board of appraisers.

"(b) The amount so fixed by the board of appraisers is hereby authorized to be appropriated and shall become available when proper title, free of liens and encumbrances, to the said hotel building, appurtenances, and equipment is delivered to and accepted by the Secretary of War and shall be used by the War Department for such lawful purpose as the War Department may hereafter determine.

"(c) That the sum of money hereby authorized to be appropriated shall be paid into the United States District Court for the Southern District of New York and be distributed by the said court as the interests of the parties there appear in the now pending Thayer-West Point Hotel Corporation bankruptcy proceedings."

REPORTS OF NOMINATIONS

As in executive session,

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were placed on the Executive Calendar.

Mr. REED, from the Committee on Military Affairs, reported the nominations of sundry officers in the Army, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 4757) granting a pension to Josephine Johnson;

A bill (S. 4758) granting a pension to Edward Emil Laetsch; and

A bill (S. 4759) granting a pension to Caroline Richards; to the Committee on Pensions.

A bill (S. 4760) for the relief of Col. Richard M. Cutts, United States Marine Corps; to the Committee on Claims.

OPERATION OF DEBENTURE PLAN IN EMERGENCY CASES

Mr. CONNALLY. Mr. President, in view of the great depression existing at the present time in cotton and wheat, I introduce and send to the clerk's desk a joint resolution authorizing the Farm Board to put into effect the export debenture on farm products in cases of emergency.

The joint resolution (S. J. Res. 203) to provide for the issuance of agricultural-export debentures was read twice by its title and referred to the Committee on Agriculture and Forestry.

PREVENTION OF FRAUD IN PATENT OFFICE PRACTICE

Mr. KING submitted three amendments intended to be proposed by him to the bill (H. R. 699) to prevent fraud, deception, or improper practice in connection with business before the United States Patent Office, and for other purposes, which were ordered to lie on the table and to be printed.

MILITARY AND NAVAL OPERATIONS OF THE COMTE DE GRASSE (S. DOC. NO. 211)

Mr. SWANSON. Mr. President, next year the Yorktown celebration will be held, and the second centennial of George Washington's birth.

There is in the Library of Congress a list of unpublished letters between George Washington and Comte de Grasse and others and some other documents which have not been published. I ask unanimous consent that the documents included in this list, which has been prepared by Miss Elizabeth S. Kite, a specialist in historical events, may be printed as a Senate document. They are almost invaluable historical data in connection with these two celebrations.

There being no objection, the order was agreed to, and it was reduced to writing, as follows:

Ordered, That the documents in the Library of Congress, as listed, relating to the military and naval operations of the Comte de Grasse, especially his correspondence with General Washington, September 2 to November 4, 1781, be printed as a Senate document.

MARTIN E. RILEY

Mr. GEORGE. Mr. President, on yesterday, in the absence of the Senator from New Mexico [Mr. BRATTON] Order of Business 1118, being the bill (H. R. 3238) for the relief of Martin E. Riley, and in which that Senator is interested, was reached on the calendar. The bill had been reported adversely from the Committee on Claims, and without objection was indefinitely postponed. I ask unanimous consent that the bill may be restored to the calendar.

The VICE PRESIDENT. Without objection, that order will be made.

ABUSE OF THE PATENT PRIVILEGE

Mr. DILL. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a statement by Representative DAVIS, of Tullahoma, Tenn., concerning a bill introduced by him to make patents unenforceable while they are being used to violate the antitrust laws, which is the counterpart of Senate bill 4442, and also an editorial appearing in the Washington Post of this morning entitled, "Patent Abuse by Trusts."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

HOUSE MEASURE SEEKS TO END MISUSING OF PATENT SYSTEM—REPRESENTATIVE DAVIS SAYS PROPOSAL IS DESIGNED TO MAKE PATENTS UNENFORCEABLE WHEN USED IN VIOLATION OF ANTITRUST LAWS

Representative DAVIS (Democrat), of Tullahoma, Tenn., ranking minority member of the House Committee on Merchant Marine and Fisheries, introduced a bill (H. R. 13157) on June 25 to make patents unenforceable while they are being used to violate the antitrust laws. The bill follows in full text:

"A bill relating to suits for infringement of patents where the patentee is violating the antitrust laws.

"Be it enacted * * * That it shall be a complete defense to any suit for infringement of a patent to prove that the complainant in such suit is using or controlling the said patent in violation of any law of the United States relating to unlawful restraints and monopolies or relating to combinations, contracts, agreements, or understandings in restraint of trade, or in violation of the Clayton Act or the Federal trade commission act.

"SEC. 2. Where the defendant in any patent-infringement proceedings pleads any of the defenses set forth in section 1 hereof such defense or defenses and the issue or issues raised thereby shall be tried separately and judgment entered thereon prior to the hearing on any other issues raised by any other defenses."

The statement issued by Mr. DAVIS follows in full text:

This bill is designed to prevent abuses and cure evils which have been disclosed at various hearings before the Committee on the Merchant Marine and Fisheries of the House during the past eight years, and

which said committee brought to the attention of the Congress as early as February, 1923, in a House resolution, and report thereon, unanimously reported by said committee, requesting the Federal Trade Commission to investigate such practices with respect to the pooling of patents and all other features of the alleged Radio Trust, which resolution was unanimously adopted by the House, and under which resolution the Federal Trade Commission made the investigation and submitted to the House a comprehensive report making startling disclosures with respect to such matters. In subsequent reports the Committee on the Merchant Marine and Fisheries pointed out these evils, and reported bills embracing provisions designed to cure such evils.

Some of the antimonopoly provisions of the radio law were written to meet that situation. During the past several years I have several times pointed out and condemned these abuses and evils. So have other Members of the House and Senate.

ABUSE IS CLAIMED

The bill which I have just introduced is similar to one which Senator DILL introduced sometime ago, and upon which the Senate Committee on Interstate Commerce held comprehensive hearings which revealed a startling abuse of patents by various monopolies, particularly by the Radio Trust. These revelations were such that the Senate Committee on Interstate Commerce unanimously reported Senator DILL's bill, and the Senate recently passed same unanimously, although the bill was recalled and is now lying on the table of the President of the Senate.

The revelations disclosed by the different House and Senate committee hearings and by the investigation made by the Federal Trade Commission resulted in a suit having been recently commenced by the Department of Justice for the dissolution of the Radio Trust, said suit being largely predicated upon an unlawful pooling of patents and the unlawful monopolization thereby of the radio industry.

This bill is not revolutionary in character but is in conformity with numerous court decisions. It creates no new illegalities. It merely provides that a patent owner who is violating the existing antitrust laws can not enforce its patents in the courts so long as it continues such violation. A patent owner must be required to "come into court with clean hands." That is no new principle of either law or morals. It is older than the patent law itself.

This bill will stop patent racketeering. It will put an end to the so-called patent trusts. It will stop the pernicious and unlawful practice employed by some monopolies to cover their illegal operations under the pretense of patent ownership.

It will not interfere with the legal monopoly possessed by the owner of a patent. This bill is not directed against and will not affect lawful cross licensing of patents, which is legitimately employed in some of the industries. This bill should have the enthusiastic support of every Member of Congress who believes in the enforcement of the antitrust laws. I shall ask for its immediate consideration by the House Committee on Patents when Congress reconvenes in December.

[From the Washington Post, June 26, 1930]

PATENT ABUSE BY TRUSTS

When the United States Government issues a patent to an inventor, there should go with that special privilege an equal obligation not to use that patent to violate the laws of the Nation. Surely such a concession deserves at the hands of the recipient a decent respect for the Government which grants it.

To enforce this obligation, Senator DILL, of Washington, has introduced a bill which would make patents unenforceable so long as their owners are using them to violate the antitrust laws. As a result of the testimony concerning the operations of various so-called "patent trusts" the Senate Committee on Patents, headed by Chairman WATERMAN, of Colorado, made a unanimous report to the Senate, favoring the passage of the Dill bill. In that report the committee says:

"This statute is intended to protect not only independent competitors of patent combinations that are illegal, but also those who are independent inventors in the arts. At the present time independent inventors often find it almost impossible to secure a market for their inventions. They must either sell their patents to an existing monopoly on whatever terms it decides to fix, or they must find capital that will not be intimidated by the fear of having to fight a firmly entrenched monopoly, and to carry on defensive litigation to prevent that monopoly from destroying the new invention.

"The very fact that the Government has issued a patent to an inventor, an exclusive privilege, a monopoly, granting him the right, for 17 years, to exclude anyone else from manufacturing, using, or selling his invention should put upon such a patentee the burden of a scrupulous observance of the laws of the United States. It is particularly iniquitous if the holder of such a privilege should use it to violate the antitrust statutes or any other laws.

"It has been charged that legislation of this character threatens to break down the patent system upon which our industrial progress has been largely founded. This is not true. The destruction of the benefits of that patent system will be inevitable if those who abuse it to create illegal monopolies are permitted to continue to protect their infractions of the law under pretense of patent rights."

As Chairman WATERMAN of the committee puts it, the bill requires patent owners "to come into court with clean hands." No patent owner should object to such a requirement. According to its proponents, the bill does not propose to confiscate patents. It merely provides that a patent owner can not enforce his rights while he is violating the antitrust laws. All he needs to do to restore his full patent privileges, is to stop violating the law.

LONDON NAVAL TREATY—ADDRESS BY SENATOR M'KELLAR

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a very strong and convincing argument against the ratification of the London naval treaty, being an address delivered over the radio last night by our colleague, the Senator from Tennessee [Mr. MCKELLAR]. I am sure no one can read the address without being convinced of the righteousness of the cause presented by the Senator from Tennessee.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REPLY TO SENATOR REED, OF PENNSYLVANIA, ON THE LONDON NAVAL TREATY

On last Thursday night my distinguished friend and associate in the Senate, Senator DAVID A. REED, of Pennsylvania, made a radio address in favor of ratifying the London treaty. It is my purpose to-night to reply to that address.

If it were not for the fact that Senator REED, of Pennsylvania, and Senator ROBINSON of Arkansas helped to negotiate this treaty there would not be a corporal's guard in the Senate in favor of it. It would not have a chance but for the personalities of these two distinguished Senators. Senator REED, of Pennsylvania, is one of the ablest and strongest men on the Republican side and Senator ROBINSON is one of the ablest and strongest men on the Democratic side. They have the confidence, esteem, and admiration of their fellow Senators. There are no finer men, and but for their strong and engaging personalities the proposed treaty would be overwhelmingly rejected, in my opinion.

Senator ROBINSON of Arkansas is my desk mate. He is my friend and I am his. I am proud of his wonderful record in the Senate. Arkansas and the South are proud of him. There is no abler or more skillful or more valuable man in the Senate. He is our Democratic leader, and I follow him in substantially all matters, because he is able, because he is sincere, because his judgment is good, and because his democracy is unquestioned. But no two men can agree in everything. In this matter there is an honest difference of opinion between us. He believes this treaty is to the best interests of the United States. I do not. I believe if it is signed it will be to the great injury of the United States.

The principal purpose of Great Britain in the Washington conference of 1922 was to sink our battleship fleet and secure for herself a supremacy in battleships while at the same time retaining her great supremacy in cruisers. And this she accomplished in full measure and running over.

In like manner, the principal purpose of Great Britain in the 1930 conference was to stop us from building what our naval experts declared necessary for us, namely, 10,000-ton, 8-inch-gun cruisers, and this purpose she has accomplished in full measure and running over in the proposed treaty.

I am going to take up the treaty along the same lines adopted by Senator REED, of Pennsylvania. He is a great lawyer, a great statesman, and a great student of this treaty. If he can not state a case in favor of this treaty, it can not be stated, and in his speech the other night, he just failed to state a case for this treaty. I have examined his contentions, and I find that he gives the following reasons for ratifying the treaty. He claims:

That this treaty brings about immediate parity in battleships.

That it accelerates parity between the United States and Great Britain by 11 years.

That it requires Great Britain to scrap five battleships, when only three are required to be scrapped by the United States.

That it saves the United States $400,000,000 by doing away with the replacement program.

That Great Britain is to reduce her cruiser strength from 70 to 50, which is to the interest of the United States.

That 6-inch guns are just as effective weapons of naval defense as 8-inch guns.

That the treaty provides for the humanizing of submarine warfare.

That the treaty must be good for America because there are some British statesmen and some Japanese statesmen who are opposing it on the ground that it sacrifices British and Japanese rights.

That this treaty provides for the United States catching up in cruiser construction, while Great Britain and Japan are required to reduce their cruiser construction.

Senator REED inferentially suggests that this treaty will do away with competition in naval armaments.

And he finally claims that parity was brought about in destroyers and submarines.

Not one single one of the foregoing contentions can be maintained.

In the foregoing statement I have give every material contention advanced by Senator REED for the ratification of this treaty.

I now want to take up these several propositions and show how baseless they are.

Senator REED, of Pennsylvania, first says that the treaty brings about immediate parity in battleships. In order that you may understand this contention, I must consider with you for a few moments the naval arms treaty of Washington of 1922. Great propaganda was then carried on for that treaty, just as it is now being carried on for this treaty. That treaty was the greatest surrender of American rights that ever took place. At that time America had the greatest battleship fleet in the world. In tonnage it was more than double what our battleship fleet is to-day. America had 2 new battleships just launched, 7 more battleships partially completed, some of them nearing completion, and 6 battle cruisers substantially completed. These had cost over $332,000,000, and the total tonnage was 618,000 tons. America destroyed 11 of these ships along with 15 other battleships having a total tonnage of 227,000 tons, making the enormous total of 845,000 tons of battleships that she voluntarily eliminated or sank. While America was destroying this great array of battleships—the greatest ever constructed—what did Great Britain do? Why, some time before she had ordered destroyed 14 old battleships. After the treaty she sank or destroyed six others. And she sank the blue prints of four new *Hoods*. In other words, Great Britain only destroyed as a result of that treaty six battleships of about 150,000 tons, while America destroyed 845,000 tons. In other words, America had built up the greatest battleship and battle cruiser fleet in the world, and at the very outset Mr. Hughes, the president of the conference, without a word, without any real consideration, sank the greatest battleship navy ever built. I have said before that it was the greatest naval victory that Great Britain ever won—greater than the sinking of the Spanish Armada, greater than the victory of Nelson at Trafalgar, and greater than any other victory that she ever won. It cost the United States over half a billion dollars to destroy or sink its ships, and it gave to Great Britain the absolute supremacy of the seas.

I now come to the actual terms of the 1922 conference. It must be remembered that the propaganda claimed that our battleship fleet should be on the ratio of 5, 5, and 3. When the contract was actually signed, however, it was provided that Great Britain was to have 22 battleships, America 18, and Japan 10. Even now, after replacements have been made, Great Britain has 20 battleships and America 18. Six months after the treaty of 1922 it was found that 13 of the American battleships could not shoot as far as all of Great Britain's battleships by from 3 to 5 miles, so that the treaty of 1922 put America nearer to a 22-to-5 basis rather than a 22-to-18 basis, and the treaty made the 5–5–3 propaganda absolutely ridiculous. Thereupon President Coolidge sent a secret message to the Congress asking for proper appropriations to elevate the guns on these 13 ships so that they could shoot farther. Congress immediately granted the appropriation, but Great Britain protested against the elevation of the guns, claiming that it was in violation of the treaty, and the matter was abandoned for several years. I understand that the guns have since been elevated on three of the ships and are now being elevated on two more, but it will cost the United States $85,000,000 additional to put these ships and guns in good condition, and even then we are not sure that they will shoot as far as the British guns on all of the British ships.

But this is not the true reason why there can not be parity between America and Great Britain. The fact is that Great Britain has three ships—the *Hood*, of 42,100 tons; the *Rodney*, of 33,500, and the *Nelson* of 33,900 tons—while our largest battleships have a maximum of 32,600 tons. We have no ships in our battle fleet that are the equal of these three great dreadnaughts of the British Navy, and as long as there is that disparity, of course, there is no way in the world to bring about a parity in our battleship fleets. So that, when Senator REED says that this treaty brings about immediate parity in battleships, he is wholly and entirely mistaken.

I next come to his proposition that the treaty accelerates parity by 11 years. I have just shown, in answer to his first contention, that we do not have parity under the 1922 agreement; that we have not parity under the proposed agreement; and that it is impossible, in the very nature of the situation, for us to have parity at all during the life of this treaty. And I say, without fear of successful contradiction, that we will never have parity as long as we continue to negotiate treaties with Great Britain about navies.

Senator REED then claims that the treaty ought to be adopted because Great Britain is required to scrap five battleships, while only three are required to be scrapped by the United States. In reply to that I want to say that under the 1922 treaty Great Britain during the life of that treaty was to reduce the number of her battleships. So that all that is accomplished by the sinking of these five battleships to America's three is that it gives the two countries an equal number of battleships without appreciably interfering with Great Britain's superiority. As a matter of fact, if these ships are scrapped by the two nations, Great Britain, by reason of having the *Rodney* and the *Nelson* and the *Hood*, and by reason of the fact that at least 8 of our 15 ships can not shoot as far as Great Britain's ships, still has a distinct advantage over our battleships. The nearer the two fleets are scrapped down to the *Hood*, the *Nelson*, and *Rodney*, the greater is Great Britain's superiority.

No doubt all of you who are interested in this matter will recall that when our delegates at the London conference tried to get the right to build one of these 34,000-ton ships like the *Rodney* or the *Nelson*, it was instantly refused by the British delegates. The reason is perfectly plain. It would have brought America a little nearer to parity, and the British never intended that the American battleship fleet should be on a parity with the British battleship fleet. In this connection it must be remembered also that one of the great advantages that Great Britain gets out of this treaty is that under the 1922 treaty America had the right to replace three old ships with ships like the *Rodney* and the *Nelson*. But America is deprived of that right under the present treaty. The British delegates must have been shrewd, indeed, when they so manipulated the battleship agreement whereby, under the guise of having a naval holiday, they absolutely deprived America of the right to rebuild her old ships with new ships like the *Rodney* and the *Nelson* and thus deprived America of even remotely obtaining parity in battleships.

Under these circumstances it is perfectly patent that America has a battleship fleet greatly inferior to Great Britain's, and it is probably not much stronger than the Japanese Fleet. Of course, everybody knows that, instead of having parity in battleships, our battleship fleet, even when it is put on a basis of 15 to 15 in 1933, will be pitifully inferior to the British battleship fleet, and will not come up to real parity even after we spend $85,000,000 on remodeling the American battleships.

In this connection Senator REED says that nothing has been said about Great Britain reducing her battleship fleet by 123,000 tons, while America reduces hers by 69,650. Yet he does not state that probably the three great battleships of Great Britain, the *Hood* with 41,200, the *Rodney* and the *Nelson* with nearly 35,000 tons each, are far superior to any battleship in the American Navy. Of course, it can not be argued, and nobody, so far as I know, has attempted to argue that our battleship fleet is as strong as Great Britain's.

The next point of Senator REED is that there is a $400,000,000 saving to America, in that there are to be no battleship replacements until 1936. This is not true because no one of the three nations expected to make these replacements in battleships anyway. They have made no preparations for it, but it will be seen that Great Britain gets a tremendous advantage by this clause of the treaty, in that she deprives America of the right to build two vessels of the *Rodney* class, and these could be built probably at a less cost than it would take to modernize the old battleships that we now have. Senator REED'S saving of $400,000,000 by the so-called naval holiday until 1936 reminds me of Mutt's trip to the races and saving a thousand dollars. He came back and told Jeff that he had made $1,000 on the races, and when Jeff asked him how he made it, he said that he had intended to place a bet of a thousand dollars on Silver King and he had not done it, and Silver King had lost, and therefore he made the money.

Further than that, it means that we have got to spend at least $85,000,000 upon modernizing and repairing our old battleships during this period, and at the end of the period in 1936, if we are to be in the 1–2–3 class with Great Britain we will have to build probably in excess of $400,000,000 and throw away $85,000,000 that has been spent in the modernization of the old ships.

Senator REED'S next point is that the treaty is advantageous to us because of England's agreement to reduce her cruisers from 70 to 50. If any other man in the world than Senator REED had made this statement it would be laughable, and it is even laughable as it comes from him. Not only is there no agreement in this treaty providing for such reduction but I have been unable to find whereby Great Britain covenants to reduce her cruiser fleet from 70 to 50. She could not do it if she wanted to, for the reason that she has not 70 cruisers! She never has had 70 cruisers! Senator REED himself says that she has only 54, and the records have been searched and it has been found that she has only 54. Now, it is perfectly plain that if she has not 70 she can not reduce them as Senator REED stated. She is simply following her 1922 example and is reducing blue prints. Of course, what he means is that in the 1927 Geneva conference Great Britain wanted a limit of 70 fixed for her and she simply reduced that limit to what she practically has now. So that that contention falls to the ground. Besides this, there is no limitation upon her cruisers, as is shown by the esculator clause, which allows her to build as many as she wishes.

I next come to Senator REED'S point that 6-inch guns are as good as 8-inch guns. How such an argument can be put forward it is difficult to understand. This position is against the opinion of practically the entire American Navy and naval experts, as well as the British Admiralty, and contrary to common sense. Our naval officers, with but four exceptions in the entire Navy, and three of those are holding office under Mr. Hoover, say that 8-inch guns are vastly superior, and that 10,000-ton cruisers are vastly superior to those of a smaller tonnage. And the truth of it is that if our naval officers should ever have to fight for their country again, they have got to fight with the 6-inch guns that Admiral Hoover and Admiral Stimson and Admiral

REED, who know nothing about the subject practically, have prepared for them. And the Navy is not permitted the kind of guns and the kind of ships that they think they should have. Should America get into war, such a war must be fought by officers of the American Navy. Admiral Hoover and Admiral Stimson and Admiral REED will not be a part of that Navy. The superiority of these guns is also attested by the British Admiralty and by the British Government, because the transcendent purpose of this treaty proposal is to stop America from building these superior guns and superior ships.

I stop here long enough to say that when it comes to making war I indorse a statement that was made to me by President Wilson during the World War. He was being asked to give charge to this man, and to that man, and he uttered these memorable words:

"I am not a military man. I am not a naval man. When this war came on I selected the best Army officer in the United States Army, as I thought—General Pershing—to take charge of the American forces, and I selected the best Admiral of the Navy to take charge of our naval forces. I am going to the mat with them. I am going to stand by them to the very end."

And the war was won that way. And so I say that it is the duty of the Congress and of the President to follow the advice of our naval officers in this matter and go to the mat with them on the kind of guns and the kind of ships that they think best for America's defense. President Coolidge took the same position about the Geneva conference.

The next argument by Senator REED of Pennsylvania is that this treaty provides for the humanizing of submarine warfare. In effect the treaty merely recites the existing law of nations on this subject. So, it is seen that this is a valueless statement in the treaty.

Senator REED'S next argument is that the treaty ought to be good for America because certain politicians in Great Britain are opposed to it, notably Mr. Winston Churchill, and certain politicians in Japan are opposed to it. The truth is that these differences in opinion are purely political, and the further truth is that Mr. Churchill is really in favor of this treaty, because if he is not, they would upset Mr. MacDonald's government in less than 24 hours and turn him out. The only reason the MacDonald government has not been turned out before this is that all parties are holding it in hoping to get this wonderful treaty for Great Britain ratified before any change is made.

Senator REED then points out that the United States is catching up in cruiser construction. The facts are that Great Britain actually speeds up her cruiser construction, and Japan also, through a special provision in the treaty, which applies to only two ships in America, but which applies to 172,000 tons of shipping of Great Britain and 32,000 of Japan.

It is then argued that this treaty will do away with competition in naval armament. In the first place, it will do no such thing, and I do not believe that competition in naval armaments can ever be done away with unless we do away with competition in world trade. Naval armaments and world trade go hand in hand together. No nation has ever permanently built up a great world trade without building up a great naval armament to protect that trade wherever it goes. There is only one way to protect our foreign trade, and that is by building a navy sufficient to protect it. Why has Great Britain built up and retained her foreign trade? It is because she has had a navy to protect it throughout the world. So, if America is to hold her present great foreign trade, she must have a navy able to protect that foreign trade. It is primarily an economic proposition. If we are to maintain our trade and commerce on the seas and with foreign nations, which is now quite as large as Great Britain's foreign trade, it follows as a necessary result that we must have a navy to protect it.

Now, what is the economic result of this agreement? At most, our Navy will be able to protect our trade along the east coast of North America to a line running north and south from Newfoundland to Venezuela. In other words, if the agreement goes through we can protect our trade in the north Atlantic and in the Gulf of Mexico and in the Caribbean Sea and the Pacific coast of America, and that is all we can do. We can not protect our trade in the Far East or in the Atlantic other than the small portion of it above referred to, and we can not protect it in the Indian Ocean. In other words, we are put at a tremendous disadvantage in protecting our world trade. Ladies and gentlemen, this is an economic question. As long as we have competition in commerce with Great Britain and Japan, as long as we are a great exporting Nation—and we can not be a great Nation without foreign commerce and trade—we must have a navy to protect that commerce and trade.

Senator REED claims, by inference, that America had been benefited by agreements as to destroyers and submarines. This is not borne out by the facts. Indeed, quite the reverse is true. The reason we got parity in destroyers and submarines is perfectly plain. America now has 75,000 tons of submarines and Great Britain has only 45,000 tons, and naturally America has to sink 35,000 tons of submarines so as to be put on a parity with Great Britain's small number. As to destroyers, America now has 290,000 tons of destroyers. Great Britain has 191,000. Some of Great Britain's are no doubt old. So that Great Britain very readily agreed that she would sink 40,000 tons of old destroyers and America just as cheerfully agreed to sink 140,000 tons.

It is quite remarkable that in the 1922 agreement when America had the advantage in battleships she did all the sinking, and now when America has all the advantage in destroyers and submarines, again America does all the sinking without any return. And in that class of vessels where Great Britain had a great advantage, namely, cruisers—54 to 13—Great Britain does not scrap a single ship. So, my friends, you see what a one-sided agreement this is. It reminds me of the old doggerel that I, as a boy, heard stated by negroes in the South:

"A naught's a naught,
And a figger's a figger,
All fer the white man
And none fer the nigger."

And in these two agreements Great Britain has got all, and the United States plays the part of the negro. Thus, it appears that, taking these two conferences together, the United States has sunk an overwhelming preponderance in three classes of ships, namely, battleships, destroyers, and submarines, while Great Britain has not budged an inch when it came to her great superiority over America in cruisers.

Now, having answered, as I believe, every contention made by Senator REED, I propose now to give a few reasons why this treaty ought not to be ratified.

The conference was called to bring about naval disarmament. Instead of bringing about disarmament, on the whole it brought about greatly increased naval armaments, America's part in the increase being estimated to cost over a billion dollars.

It was called for the purpose of bringing about parity "in each of the several categories" as between Great Britain and America. It does no such thing, but establishes a wider disparity than has existed heretofore. The only reduction of armaments in this treaty is a reduction in submarines and destroyers which America must make, and a slight reduction in battleships, and under the terms of that reduction America is prohibited from building battleships of the *Rodney* and *Nelson* class, and thereby Great Britain is given the absolute superiority in battleships.

Instead of providing for parity "brimful and running over," as Mr. MacDonald declared, it provided for a great inequality in naval fleets.

It provides for enormous naval building by America, by Great Britain, and by Japan.

It will impose tax burdens on the American people of more than a billion dollars.

It prohibits America from building before 1936 more than fifteen 10,000 ton 8-inch cruisers, when her responsible naval experts, with one or two exceptions appointed by Mr. Hoover, all declare that these ships and guns are for the best defense of America.

It requires us to build ships of a kind and size that Great Britain is willing for us to build. It prohibits America from building the kind and size of ships and guns that America thinks is best for her own defense.

There is no way in the world for America without naval bases to obtain parity with Great Britain in cruiser strength except to have the larger ships and guns, and it is doubtful if it can be gotten that way.

It deprives America of the right and power to build a navy that will defend American possessions in the Far East, notably the Philippine Islands. All of our experts agree that we can not defend the Philippine Islands on the basis of this treaty.

It prevents America from defending the greater part of our foreign trade on the high seas.

Yet it leaves Great Britain the power to protect her commerce practically everywhere.

It also gives to Great Britain the power to put economic pressure on America equivalent to business ruin.

Again, our sea-borne commerce is nearly $15,000,000,000 in value every year, and yet we deprive ourselves by this treaty of the right and power to defend that enormous commerce wherever it may go.

Because the kind of ships that Great Britain will permit us to build under this treaty are not large enough and do not have guns large enough to protect our commerce.

It does not provide that America shall have any additional naval stations anywhere in the world for the protection of her outlying possessions or the protection of her world-wide trade.

It does not refer to Great Britain's great superiority in naval stations, having them not only in every part of the world but even surrounding the coasts of America itself.

It does not provide for the freedom of the seas and it denies to us the power to maintain that freedom for ourselves.

And yet it leaves to Great Britain the power to assure that freedom of the seas for herself.

It will be remembered that even during the World War, when we were fighting side by side with Great Britain, she not only claimed but exercised the right to overhaul American ships when she believed their cargoes were going even indirectly to her enemies, and to take those cargoes into port and use them.

Again, the Constitution of the United States specifically grants to the two Houses of Congress the duty "to provide and maintain a navy." That authority is plenary in the Congress. Nowhere in that great instrument does it give the right to the Executive and the Senate

to limit that power. And yet if this treaty goes through, the Congress will be deprived of its right to build and maintain the kind of navy that would be to America's defense, and will be required to build the kind of navy that Great Britain and Japan want.

This treaty ought to be rejected, because the treaty was negotiated in secret. It will be remembered that I protested publicly against secret sessions of this conference. It is said that agreements of this kind can not be made unless there is secrecy. I deny this. I believe in the doctrine of open covenants openly arrived at. It is the only way to do it. What right have our representatives to go into a secret conference and determine American rights? If that conference had been held in the open and under the glare of pitiless publicity, no such one-sided agreement as this would ever have been brought back for the confirmation of the Senate.

Again, this treaty ought not to be ratified, because the facts upon which it was negotiated have never been transmitted to the Senate of the United States, although, under our Constitutiton, it is coequal with the Executive negotiating and approving treaties. Yet in this case the President of the United States refuses to give to the Senate the facts upon which this treaty was negotiated. The Senate owes it to itself, it owes it to the American people, to maintain its rights and have all the facts before it before it ratifies this treaty.

Again, the President has no right under the Constitution to select two Senators of the United States and give them the right to know what is going on and withhold the facts from the other 94 Members of the Senate.

Again, this treaty should not be ratified because it gives Japan the absolute control of the East, and let me say right here that what this means to the American people is shown by the fact that our trade with the East amounts to more than $2,000,000,000 a year.

I am one of those who believe that the Philippine Islands ought to be free, but as long as we hold them I believe we ought to retain the right to defend them. And yet, under this treaty, we are deprived of the right of defending these possessions.

This treaty ought not to be ratified because the promises that are now being put forth, the propaganda in behalf of this treaty, are the same old promises that were put forth in 1922, when the greatest navy in the world was sunk. I quote from Mr. Hughes:

"The world looks to this conference to relieve humanity of the crushing burden created by competition in armament, and it is the view of the American Government that we should meet that expectation without any unnecessary delay."

And thereupon he offered to sink 875,000 tons of American battleships without any substantial consideration. Were we relieved of the tax burdens as then promised by Mr. Hughes? Not at all. I want to show you the actual facts. Instead of relieving the American people of taxation, under that treaty taxation has consistently increased ever since. I give you the figures of our annual naval appropriations: 1923, $322,000,000; 1924, $324,000,000; 1925, $326,000,000; 1926, $311,000,000; 1927, $322,000,000; 1928, $338,000,000; 1929, $362,000,000; 1930, $364,000,000; and 1931, $382,000,000. With but one single exception, in 1926, naval appropriations have grown every year since 1922, and yet we are told that by making this agreement with Great Britain we are removing tax burdens. It is not true. There is not a word of truth in it. When we were building up the great Navy—the great competitive Navy—before the war, we did not spend one-half these sums. In 1911 we spent $119,000,000; 1912, $135,000,000; 1913, $133,000,000; 1914, $139,000,000; 1915, $141,000,000; 1916, with the war on, only $155,000,000; and in 1917, only $257,000,000, and we built with these appropriations one of the greatest navies in the world, only to be sunk by those apostles of a new day who want America to become subservient to Great Britain and Japan in navies.

Ladies and gentlemen, there never was a greater crime committed against the American people and American trade and commerce than when, under the agreement of 1922, 835,000 tons of battleships went to the bottom of the ocean.

Mr. Hughes again said:

"It would also seem to be a vital part of a plan for the limitation of naval armament that there should be a naval holiday."

God save the mark! I have just shown you the vast increase in naval appropriations. What did Great Britain do? Did she indulge in a naval holiday? Why, instead of doing that she went back home and began the building of the greatest cruiser fleet that she ever owned in all of her history. And so the propaganda for the naval treaty of 1922 was just so much poppycock. It did not reduce navies and it did not reduce appropriations.

And little Japan at all times has been building in the unrestricted class so that her cruiser fleet to-day is stronger than that of America.

The American people are a strange people about some things. In the naval conference in 1922 we were so outtraded by the British that it was pitiful, and all Americans now agree to that view. Yet eight years after we serenely come along and allow the British to outtrade us again and euchre us again in exactly the same way. To euchre us once is not enough. We must be euchered twice.

Ladies and gentlemen, the great underlying question in the ratification of this treaty is the economic question. I recall that in 1914 Great Britain had a larger and stronger navy than any other in the world. Our Navy was in no sense able to contest with her. The day after war was declared Great Britain issued an order in council declaring cotton contraband. American cotton was thereafter swept from the seas, and the result was that this great cash-producing crop of America was rendered almost valueless. It went down from 14 cents to 4 cents in the twinkling of an eye and could not be sold even for 4 cents a pound. And I saw the cotton producers of the South reduced almost to penury because of that British order in council. The strength of that order was the British Navy. If America had then had a Navy equal to Great Britain's she would never have issued such an order, and American cotton would have found a market and the growers of cotton and those dependent upon cotton would not have been reduced to penury and want.

I remember also that during the first years of the Great War the British Government asserted and exercised the right to overhaul American vessels—searching them—and if they found cargoes that they believed were going directly or indirectly to their enemies, they took those cargoes and carried them to Great Britain. In other words, Great Britain was thought by many during the war to be as absolutely ruthless or more ruthless than Germany was. This ruthlessness was only made possible by superior naval strength, which strength I am not willing to perpetuate by agreement.

I made up my mind then that when the opportunity arose I was going to give America a navy in keeping with American rights and responsibilities, in keeping with the duty to defend the greatest commerce in all the world; and I want to say here and now that so long as I am a Representative in Congress I shall never vote for any measure or for the ratification of any treaty that will make the American Navy inferior to any other navy in the world.

THE REPARATION PLAN—ADDRESS BY OWEN D. YOUNG

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. Owen D. Young in San Francisco, Calif., March 24, 1930, on international affairs, with especial reference to the reparation plan.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the New York Times, Tuesday, March 25, 1930]

YOUNG SAYS AMERICA CAN NOT STAND ALOOF—DECLARES EITHER ECONOMIC OR POLITICAL ISOLATION FROM OTHER NATIONS IMPOSSIBLE—"TOO RICH TO BE LOVED"—HE EMPHASIZES NEED OF KEEPING ECONOMIC MACHINERY FREE FROM POLITICAL DOMINATION—EXPECTS GERMANY TO PAY—AUTHOR OF REPARATION PLAN DELIVERS CHARTER DAY ADDRESS AT THE UNIVERSITY OF CALIFORNIA

SAN FRANCISCO, March 24.—Owen D. Young, speaking on international affairs in describing the reparation plan which bears his name at the celebration of the sixty-second anniversary of the University of California, declared that the isolation of America from the rest of the world, either economic or political, was impossible.

From an economic point of view, he maintained, it is inevitable that the United States take an interest in and be concerned in the material problems and affairs of every country on the globe.

"Let no man think," he exclaimed, "that the living standards of America can be permanently maintained at a measurably higher level than those of the other civilized countries. Either we shall lift theirs to ours or they will drag ours down to theirs. Tariffs and other petty political barriers, temporarily justifiable, will in the long run only accentuate the trouble."

Referring to politics, Mr. Young said nothing was clearer from the experience of the last 10 years than the necessity of keeping our economic machinery, and especially our finance, free from the domination and control of politics.

Speaking of the reparations plan, he said it was the best settlement that could be made. It was neither an economic settlement nor a political settlement but a compromise between the two.

Whether the burden placed on Germany by the plan is too great only time will tell, he stated. Personally, he had great confidence in Germany's ability to pay. Germany's honor, not her freedom, were now at stake.

TEXT OF THE ADDRESS

Mr. Young's address was as follows:

"Mr. President, ladies and gentlemen of the University of California: If one were to speak on international affairs, it would be fitting to do so at one or the other of those great ports which are our most sensitive contacts with the outside world. Through New York and San Francisco, inward and outward, flow in substantial part the great movement of men and things which constitute international transportation; of voices and records which make up international communication; of finance, that essential mechanism through which all these interchanges are made possible.

"It is true that Washington, as the political focus of the Nation, makes our political contacts abroad, but they are relatively superficial and inconsequential compared with these sensitive forces of quick and constant action which represent our participation in the economic activities of the world. So, after the completion of the Dawes plan, I spoke of my experiences abroad first in New York. Now, after the completion of the new plan, I consider it a privilege to say my first word at the great port of entry of the West. It is perhaps not inappropriate that it be said as a part of the celebration of this significant anniversary in the life of the University of California.

"On the 11th day of November, 1918, the military forces engaged in the Great War suspended operations. For more than four years they had been our masters. They commanded our thoughts and our ambitions; they held as hostages our property and our lives; Politics had retired to second place; Economics had temporarily been forgotten.

POLITICS COMES TO THE FORE

"After the military had suspended its act in the tragic drama, Politics and Economics again came on the stage. Politics, as she advanced to the footlights, had never seemed so charming. She received the applause of all the world. How delightful it was to get rid of that old witch of war who destroyed our wealth and our peace of mind, who murdered our sons, and who disarranged all the notions of our daughters! Is it any wonder that Politics commanded our admiration?

"What high hopes we had of her! True, there was on the stage also a very modest being, ragged in clothing, bewildered in her senses, known as Economics. No one paid much attention to her in comparison with their lovely idol. Truly, Politics was mistress of the world. And with that setting the play went on.

"Politics, conscious of her power and with impatient hand, wrote a treaty while all the world was lost in admiration of her daring. In those days a part of her charm lay in her many moods. One day she spoke through Woodrow Wilson, and the audience sat breathless, moved by the high idealism of a great man and the rich expression of a master. Another day, by contrast, she was hard and cynical, and what the world calls practical, as she spoke through Clemenceau. And still another time she had the delightful abandon and irresponsibility of a mischievous mistress as she was impersonated by Lloyd George. And she had courage, too, because she swept away age-old boundaries and made new ones.

"True, occasionally was heard the weak voice of Economics, modestly protesting here and there, occasionally even offering advice, only to be silenced by the imperious gesture of the leading lady. And one day she decided what Germany was to pay by way of reparations, the sum of 132,000,000,000 marks, or one-quarter as many dollars. Then it was indeed time for Economics to speak, and she did, in protest. But she was quickly silenced by the great party in the Palace of Versailles, the scene of so many grand affairs. Had not Politics always been mistress of Versailles? Had not Economics always been a scullery maid? Why break the precedent now? Why listen to her in these great councils—and they didn't. And then—

"'The tumult and the shouting dies
The captains and the kings depart.'

TAKES ECONOMICS ON TOUR

"Permit me to carry the figure one step farther. Politics now goes on tour, always taking her bedraggled associate with her, because even Politics knows that Economics must do the work. Politics in France says, and properly and sympathetically so:

"'Your houses and lands have been destroyed, rebuild them, and do it handsomely—others will pay the costs.' That was the program which Politics could start, but which Politics could not stop. So the building went extravagantly on, and a few years later, when Germany failed to pay the cost, and consequently there overhung France this addition to her vast interior debt, Politics said:

"'We will make Germany pay. We will move our armies into the Ruhr and compel by force the production of coal and manufactured goods for reparation account.'

"But it turned out that the sword was a poor instrument with which to get economic results. Politics could put a French army in the Ruhr, but Politics could not take it out.

"Politics in England said: 'If there be people out of work, or even people who do not want to work, give them a dole from the public treasury.'

"How generous she was! But there was a program which Politics could start, but which Politics could not stop.

"Politics in Germany said to Economics: 'You seem depressed this morning with the great work you have to do. Let me give you a cocktail. I do not intend to get you intoxicated. Take a little stimulant, and after you are started, we will cut it out.'

"So Politics gave to Economics inflation. That was something which Politics could start, but which Politics could not stop. As a result, the currency of Germany was destroyed and her people were plunged into the depths of want and despair. Yes; it is easy for Politics, with her appeal to the emotions and her ingratiating manner, to start things in the field of Economics which she can not stop.

ECONOMICS GETS A HEARING

"And so it happened in the autumn of 1923. Then, for the first time Economics got a hearing. The world began to doubt whether Politics, with all her charm, was safe and sound. Losing the applause of her audience, and with that something of her confidence, wringing her hands in despair, Politics finally called to Economics and said: 'If I give you the opportunity will you try to save the show?'

"The Dawes committee convened in Paris on the 14th day of January, 1924. Its task was to provide a plan for the balancing of the German budget and for the stabilization of the German currency. It was not permitted to revise the amount of 132,000,000,000 marks which Politics had fixed for Germany to pay. So the Dawes committee did the very simple thing of fixing the annual installments which Germany should pay on account of reparations. These being fixed, the budget could be balanced and the currency stabilized. The Dawes committee did not specify the number of years which the installments were to run. No one ever computed the years, because it was apparent to the world from the size of the installments that the earlier reparation figures had been in fact, if not in law, abandoned.

"The Dawes committee brought out its plan on the 9th day of April, 1924. It was made effective on August 16, 1924, at the conference of London by a treaty signed by the nations which were the beneficiaries of German reparations. By it a new central bank was established for Germany, and a new currency was created with an adequate gold supply.

"And to give you an idea of the results of the inflationary intoxication let me say that one mark of the new currency was exchangeable for one billion marks of the old currency, and I mean the continental billion, not ours; that is to say, a million million old marks for one new mark.

WORLD LEARNS FIRST BIG LESSON

"And so Economics took the stage in Germany on the 1st day of September, 1924. A few days later the French armies began to move out of the Ruhr back home. The Germans began to work their mines and factories. The world learned its first great lesson—that Economics does not function under political threats or military coercion. It performs obligations which are reasonably fair. It recognizes in the long run only self-interest and honor.

"In a word, the world learned that coal and steel for reparations would come at the point of a pen on a checkbook and would not come at the point of the bayonet in the hands of the soldier. Certainly, it was demonstrated that in this field the pen is mightier than the sword.

"You all know the story of Germany's economic recovery under the Dawes plan. She paid to her creditors during those five years the full amount set out in the plan, namely, 7,600,000,000 marks, which is the equivalent of $1,917,000,000. Nevertheless, the Dawes plan was a receivership plan for Germany. It was not a plan of permanent reorganization. Under it S. Parker Gilbert, a brilliant young American, was the receiver, and let me take this opportunity of saying that the success of the Dawes plan was largely made possible by his wise and efficient administration of the receivership. May I step aside long enough to call the attention of the students of California to the fact that Parker Gilbert was made agent general for reparations payments at the age of 32? He was graduated from Rutgers College in the class of 1912 and from the Harvard Law School in the class of 1915. I speak of it here only because I want you to know that great opportunities and great responsibilities lie before you not somewhere in the distant future but almost here and now.

"As I have said, the Dawes plan was an interval receivership plan—it did not even fix the total amount of the debt, although all the world knew that the original sum fixed by Politics was quite impossible. Then, too, one could not expect a great nation of 60,000,000 people to function permanently in the hands of a receiver, and so at Geneva on October 20, 1928, Economics was again called by Politics, in the form of an expert's committee, to make proposals for a complete and final settlement of the reparation problem. That committee met on February 11, 1929, in Paris, and on June 7 signed and transmitted its report of final settlement. That report is popularly known as the Young plan.

SPIRIT IN WHICH PLAN WAS MADE

"May I say in passing that this habit of adopting the name of the chairman as the name of the committee began when the first expert's committee was christened the Dawes committee. General Dawes was not keen about that change of name, but he said, you will remember, that somebody had to take the garbage and the garlands. It was in that same spirit that the Young committee and the Young plan were so named—and you may be sure that the chairman will receive more than his fair share of social prestige at the front door and a proportionate amount from the can at the back door, depending wholly on whether the affair is an afternoon tea or the 'morning after' clean-up.

"By the Young plan the annual installment of the Dawes plan of 2,500,000,000 reichsmarks, plus a variable resulting from an index of prosperity, was reduced to an average for the first 37 years of 2,050,600,000 gold marks; that is to say, a reduction of 20 per cent or more. The annuities begin at 1,707,900,000 marks and advance slowly toward a maximum of 2,428,800,000 marks. After the first 37 years the Ger-

man installments gradually diminish from approximately 1,600,000,000 gold marks in 1966 to 897,800,000 in 1988.

"Under the plan the receivership of Germany is withdrawn. The mortgage of $2,500,000,000 on the German railway system, created by the Dawes plan, is discharged. The general mortgage on German industry of over $1,000,000,000 is also lifted. Germany is given a specific task to perform. Foreign armies provided by the political treaty are withdrawn. The reparation commission is wound up.

GERMAN HONOR ALONE AT STAKE

"Care was taken in the plan to avoid the term 'reparations.' And so at last, 10 years after the armistice, under the new plan as drawn in Paris Germany is free. She has a debt to pay, but that is all. Her honor, not her freedom, is at stake.

"May I say a word about the problems and difficulties in Paris? I have told you that the Dawes payments were reduced something like 20 per cent and the total number of years which Germany should pay was also fixed. These installments, computed at their present value, represented a charge on Germany of something like $9,000,000,000, or 36,000,000,000 marks. Politics, you will remember, fixed Germany's obligations at 132,000,000,000 marks, or $33,000,000,000. In a word, our kitchen-maid, Economics, was compelled to cut the menu of her leading lady by more than 70 per cent to make it fit the prospects of the larder.

POLITICS REAPPEARS AT HAGUE

"At The Hague Politics again appeared, and while protesting that she did not wish to put larger burdens on Germany did increase somewhat—sufficiently for political purposes, I dare say—the burdens of the Paris plan; and most of those burdens do, in fact, ultimately fall on Germany. Then, too, at the second Hague conference Politics again made an effort to substitute military sanctions for Germany's nonperformance and in a most attenuated form such sanctions were provided.

"Economics does not like military sanctions. Doctor Schacht protested, and has recently resigned the presidency of the Reichsbank because he was unwilling to assume responsibility for the execution of a plan which carried burdens additional to those imposed at Paris, and which had any color of military sanctions. Doctor Schacht has been accused in taking this action of having domestic political ambitions. It is fair to him to say that his protest arose, not because there was politics in Doctor Schacht, but because politics had again crept into the plan.

"However, I have no fear of the slight political tinge which the plan took on at The Hague. Certainly this settlement was better than none. It would have been a great catastrophe for Germany and all the world had the plan agreed upon at Paris by the representatives of all the countries, including Germany, failed in the hands of Politics at The Hague. We are all to be congratulated that it did not do so, and perhaps most of all the Government of the United States.

AMERICA TO GET MORE THAN 60 PER CENT

"I speak of my own country, because more than 60 per cent of the total sum to be paid by Germany must find its way to the United States in payment to us of the so-called international debts. You see that was one of our serious problems at Paris. Roughly, one-half of the Dawes payments were needed by the creditors of Germany to pay their debts to the United States. That obligation was fixed. So the entire reduction by the creditor countries in the Dawes payments, so far as their respective budgets were concerned, had to be made out of one-half of the payments; that is, every 5 per cent reduction to Germany in the Dawes plan payments meant a 10 per cent reduction in the net budget benefits of the creditor countries.

"Now a 20 per cent reduction in the Dawes plan payments looked small to Germany, but a resulting 40 per cent reduction in net budget benefits to the creditor countries looked very large to them. That was one serious problem at Paris.

"Another was that the Dawes plan payments were distributed under what was known as the Spa percentages. Now, as the reduction in the German payments took place, some of the countries, notably Italy, under those percentages, would not have received enough to pay their indebtedness to the United States, while others would have a considerable surplus. Therefore, in order to secure a settlement at all, it was necessary at Paris to remake these percentages.

"We not only had to set the total amount which Germany should pay, but we had to redistribute that diminished amount among the creditor countries so that all would be satisfied. The problem of fixing Germany's total amount was not as difficult as the redistribution among the creditors. The German problem was largely an economic one. The redistribution problem was largely a political one.

"So, unfortunately, from my point of view, the Young committee in Paris had to deal with these combined problems of Economics and Politics. If I show some dislike for Politics to-day, it results largely from my experience with her in Paris. Charming as she may be at times on the stage, she is often petulent and petty, and always selfish, in the dressing rooms, and, habitually, she puts a low estimate on the intelligence of her audience.

BEST THAT COULD BE DONE

"However, as I say, a settlement was made in Paris. It was the best settlement that could be made. Strictly speaking, it was neither an economic settlement nor a political one. It was a compromise between the two.

"The compromise was difficult. Both Politics and Economics in all countries had been waiting for this day of final settlement to even up some of their old scores. Things which had been said and actions which had been taken, things which had been left unsaid and actions which had been withheld, were now to be brought on the stage for the last time.

"So, in a sense, our committee at Paris was compelled to review and reargue, and so far as possible adjust, all of the conflicts involving reparations and their redistribution, and everything collateral thereto which had arisen during the preceding 10-year period. Questions of parity and ratios which are so important to guns and ships, were not by any means absent in dealing with a limitation program expressed in currency.

"Perhaps you will pardon me if I stop here long enough to pay a slight tribute to my associates in Paris. They were men of competence and independence in thought and action. Economic theorists could not dominate them. They had the highest regard for the specialized expert, but they also had experience in making practical application of expert theories. Financial or business interests could not coerce them. They had the greatest respect for men of business, but they were not blind to the large social and political factors also involved. Politics could not control them because they held no public offices and were not responsible to political constituencies.

FRIENDSHIP A FACTOR OF SUCCESS

"From such a group only could a settlement come. That does not mean that it could come from these individuals only, but it does mean that individuals to be successful must have the qualifications which I have indicated. Then, too, the members of this committee had the good fortune of intimate personal acquaintance. Most of them had been friends for many years. This was a contributing factor to success.

"I wish I might take the time to speak of each member of the committee individually and give you some idea of the value of his contribution, particularly as to my American associates. It must suffice here for me to say that no man ever had more competent and loyal associates than I had in J. Pierpont Morgan, Thomas W. Lamont, and Thomas Nelson Perkins. The respect in which they held each other and in which they were held by their European associates had a very great influence on our work.

"Whether the burden placed on Germany is too great only time will tell. It is true that the countries participating in the Paris plan have added all of their indebtedness to the United States together and added approximately 50 per cent to it in fixing the sum which Germany is to pay. Each of those countries, you will remember, had protested against the burden of their indebtedness to the United States, even under the favorable debt settlements made.

"Yet they have paid Germany the compliment of assuming that she can bear the burden of them all together with a substantial premium.

"But I have great confidence in Germany's capacity to pay. True, she has not a large supply of what the world calls basic raw material. She has in large measure, however, a supply of that kind of raw material too little taken into account in the world's affairs, namely, a capacity for scientific research and the ability to apply it and organize it in production. It is not unlikely that in the years to come this particular kind of raw material with which Germany is well endowed may be the reservoir out of which these vast sums will be produced and paid.

"If Germany does make the payments out of such a reservoir, the rest of the world must be careful to avoid the enervating effects resulting from the receipt of such payments. We should all remember that the discipline of hard work and of heavy responsibility is likely to do much for a people as well as for an individual. Let no man be sure, let no nation be sure, merely because he is a creditor of some one else's labor that, therefore, he is strong and will always remain so.

THE INTERNATIONAL BANK

"The most striking feature of the new plan is the Bank for International Settlements. That institution is unlike anything which has existed in the world before. It was not created merely for the sport of inflaming the imagination of men, or even for the laudable purpose of providing a new subject for the debaters of the world. Like all inventions and new creations, it arose out of the mind of man to meet a new need.

"Obligations, as I have said, are to be delivered by Germany of approximately $9,000,000,000, payable over a period of nearly 60 years, in fixed annual installments. As these obligations mature, vast sums must be paid over frontiers and translated into the currencies of other countries. Who should hold these obligations and control these transfers?

"Should they be put in the hands of political treasuries of more than a dozen nations, where, in case of slight difficulties, they might become the football of domestic or international politics? Even more dangerous would it be to have them become the trading medium in all kinds of international negotiations.

"Should they be left where Germany, if she chose, might default in the payments to one power and continue those to another?

"Should they be left where these transfers in political hands might become a menace to the normal economic exchanges of the world?

"No; it was quite apparent, in the interest of all, creditor and debtor alike, that these obligations of Germany should be held and the payments managed by a single organization for the account and benefit of all. Any default by Germany must be a common default for all creditors. Any moratorium must be a common moratorium. Therefore, it seemed to our committee necessary to mobilize the German obligations in single hands.

THE STATUS OF THE INSTITUTION

"For that purpose the Bank for International Settlements was created. Any difficulties in German payments must be between Germany and the bank. The bank should be, as far as possible, insulated from politics, both domestic and international, and be free from government domination and control. To accomplish this, the charter and by-laws of the bank were established by international treaty and evidenced by a protocol signed at The Hague, on January 20 of this year. Corporate entity is to come into existence by an act of the Legislature of Switzerland, where the bank is to be located, Switzerland being a party to the treaty.

"The capital of the bank is to be $100,000,000, and its stock is to be sold to private persons in the principal countries of the world. Its directorate is to consist principally of the governors of the central banks of Europe, or their nominees, America having declined to participate.

"The earning power of the bank is to come from small commissions on reparation payments and certain deposits from governmental treasuries provided in the plan. The bank has power to accept deposits from or to make deposits in central banks of countries on a gold-exchange basis. Thus the endeavor has been made in the interest of the world to eliminate politics from the control of reparation payments and from the machinery which will handle them. The bank is to be truly the insulator between the political treasuries of the creditor powers and their debtor, Germany.

THINGS THE BANK CAN NOT DO

"The bank is in no sense a superbank. It can not operate in any country in which the central bank of that country objects. It can not issue demand notes in any form, and therefore there is no danger of an international currency.

"It may be used as a clearing house by central banks to the extent which they may elect to do so. This lies in the future. But there is no question in my mind that some such developments will come about if the diminishing supply of gold in the world threatens a general deflation in the price level. The proper handling of price stability is one of the most important matters facing the capitalistic system to-day. In it will be found the roots of those maladjustments which result in the unequal and unfair distribution of wealth, in unemployment, and other serious problems.

"The international bank may turn out to be an essential and useful piece of machinery for an economic world which of necessity is becoming more and more closely integrated. Politics becomes dangerous on a stage so small unless economics functions well. Fortunately the bank has the power of growth, but it will grow only as our needs compel it. It will grow only as the central banks of the world wish to use it. In a word, it is the servant of all and the master of none.

WILL STAY INDEPENDENT OF LEAGUE

"The question has been raised whether the League of Nations and the Bank for International Settlements might not unite their forces. The league represents international political cooperation, and the bank international financial cooperation. Well, if that means that the bank will come under the domination of the league, and so there will be added to the political forces of the league the financial resources of the bank, I think we may dismiss once and for all our fears if we are opposed to the league, or our hopes if we are its proponents.

"Nothing is clearer, from the experience of the last 10 years, than the necessity of keeping our economic machinery, and especially our finance, free from the domination and control of politics. That seems to me one great lesson which we have learned. I do not mean that the struggle of politics to control economics is ended. It is going on in every country, and will continue to do so.

"But what about the relationship of economics to politics in international cooperation? Well, my answer is this: Economic integration of the world is a necessary prerequisite to effective political cooperation in the world. America, as the greatest creditor nation, is more interested than any other in economic integration. It is inevitable that from an economic point of view she take an interest in and be concerned in the material problems and affairs of every country on the globe.

OUR ISOLATION SEEN AS IMPOSSIBLE

"Isolation to America, either economic or political, is impossible. The material development of countries will necessarily be to us a matter of great concern, both from an idealistsic and practical point of view. If all peoples everywhere could be lifted in productive capacity and consuming power to a point equal to our own, envy and hatred would be alleviated; capital would be better employed; markets would be enlarged; unemployment would diminish, and a much more peaceful world would be insured.

"Let no man think that the living standards of America can be permanently maintained at a measurably higher level than those of the other civilized countries. Either we shall lift theirs to ours or they will drag ours down to theirs. Tariffs and other petty political barriers, temporarily justifiable, will, in the long run, only accentuate the trouble.

"Our experience at home during the last generation should teach us that segregation into different groups for the selfish purpose of benefiting one at the expense of the other is a failure. It was not so many years ago that our industrial leaders in the United States thought that a low wage scale was necessary to enable capital to earn a profit. Now we have learned that a high wage scale may be consistent not only with low production costs but also with the greatest security to and return on capital investment.

"In a word, we are learning in America that the highest welfare of all rather than of any class is a wise objective even for the group previously privileged. How long will it take us to learn that fact in a world so small that Commander Byrd talks from New Zealand on Wednesday at noon in the fall of the year, with Ado'ph S. Ochs in Schenectady, on Tuesday at 7.30 a. m. in the spring of the year—and that conversation can be heard by practically everybody in the world at varying times and seasons?

MUST PASS POLITICAL FRONTIERS

"It is too late in our own interest, to think in terms of selfish isolation. To secure the advantages of economic equilibrium we must go beyond political frontiers. We may sign great declarations of peace, but we shall concurrently find, if we follow a narrow economic policy, an increasing resistance in countries less well off than ourselves to that disarmament which is the insurance of the peace we seek. Politics in America may start a program which Politics can not stop.

"After all, we must remember that Politics and Economics are not the masters of men; they are their servants. The managers of both too often think and sometimes act as if human beings were merely the fodder of political and economic mills. Merely because I have spoken of Economics and Politics I would not wish you to think that I consider them in any sense ends in themselves. Back of them stand myriads of human faces, some young, some old, some prosperous, some needy, some charitable, some selfish, some generous, some envious, but all vitally affected not only in their material but in their cultural and spiritual development by these organizations, political and economic, which they have imposed upon themselves.

"So long as such organizations render an uplifting service just so long can we go forward in reaping the advantages which civilization has brought. But those faces in these days of a closely compact world can no longer be segregated into compartments, one of which shall be prosperous and the others not; one of which shall go forward and the others back. Those faces must all move together for good or ill. So Politics and Economics, their servants, must move together too, not in one country alone but everywhere. That way only can the benefits of civilization be enlarged; that way only can peace come.

AMERICA TOO RICH TO BE LOVED

"And one word more. America is too rich to be loved. She is well enough off to be envied. The attitude of the world toward her will be largely influenced by her spirit.

"If it be one of selfishness in isolation, she will have failed in her great responsibilities. If it be one of boastfulness in her success, she will have misused the things which God has given her.

"I pray for sober and sensible responsibility, a spirit of gratitude for the things we have, a spirit of friendliness and helpfulness and cooperation for all, a spirit of restraint in the use of any power which has been entrusted to us and, most of all, restraint in speech.

"'If drunk with sight of power we loose
Wild tongues that have not Thee in awe,
* * * * *
For frantic boast and foolish word
Thy mercy on Thy people, Lord.'"

BASIC ECONOMIC PROBLEMS OF AMERICA—ADDRESS BY OWEN D. YOUNG

Mr. TYDINGS. Mr. President, I ask unanimous consent to have published in the RECORD an address delivered by Mr. Owen D. Young at the fifty-third annual convention of the National Electric Light Association, held in San Francisco, Calif., on June 19, 1930, relative to some of the basic economic problems of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, ladies and gentlemen of the National Electric Light Association: The absence of the Secretary of Commerce of the United States has created a vacancy on this program which no one in the industry can fill. Your president, Mr. Sloan, with that persuasive coercion which has made him so successful, has summoned me from the ranks to occupy the time but not to fill the place.

Contrary to the usual custom, it is necessary for me, first, to say what I shall not talk about. That provides ample material for a speech in itself. I do not intend to speak on the specific controversies which are now raging in the public-utility field. It is not because I have no views on such controversial questions, or because I am unwilling to express them at the proper time, either to the members of this industry or to the people as a whole. I refuse to state them now for two reasons. First of all, most of these controversies are in process of investigation by public bodies especially authorized to deal with them. The evidence is not in, and findings have not been made. Under such circumstances, it would be an unwarranted presumption on my part to volunteer testimony, opinion, or advice. Then, too, there is another reason. It is because a wide radio chain has been set up for the purpose of broadcasting the speech of the Secretary of Commerce. Because of my intimate relationship to the radio art and industry, and particularly to broadcasting, I do not feel that I should discuss controversial problems of the utilities on the air.

And so I shall speak to-night about some of the basic economic problems of America. I can not claim that they are free from controversy—nothing but axioms and platitudes are.

The problem of our American surplus is my subject. How are we to deal with it most effectively in the economic interest of all the people of the United States? It is our most vital and immediate economic question. I shall speak of the principles involved, rather than of specific measures, and so endeavor to keep myself in the field of economic discussion and out of the area of immediate political controversy.

What surpluses have we to deal with?

First, and most conspicuous of all, is our agricultural surplus. The proper handling of that problem has a direct bearing on, and one may say is the key to, farm relief.

Second. We have our raw-material surplus outside the field of agriculture, such as our minerals.

Third. We have our industrial surplus, which means more manufactured goods than our people can consume. This surplus is not so large or so uncontrollable as our agricultural surplus. It is more readily financed and lends itself to more orderly marketing. Nevertheless, it is a factor of growing importance in American industry and has a substantial relationship to unemployment.

Fourth. We have an exportable surplus of services, such as technical information, managerial and manufacturing experience, banking, insurance, and other services, which can be rendered to other nations without diminishing our usable supply at home.

Fifth. We have our surplus of earnings over expenditures. They are our savings, which have been constantly increasing, and which we wish to enlarge. Now, I am not prepared to say that this surplus of savings is more than we can use at home. The question which we have to ask ourselves with reference to savings is whether some part of them at least can be more usefully employed in the general interest of America outside of the United States than they can be at home.

All of the above questions are not unrelated to the tariff. Again, I mean a tariff policy as distinguished from a tariff bill.

You may well ask why speak about such questions here. Because no industry so quickly reflects the general prosperity of the country as the power and light industry of the United States. You sell not a commodity but a service. It is used by industry only when plants are busy and men are at work. Idle men and idle plants take none. It is used at home largely in the proportion of men's capacity to pay, and when earning power is reduced consuming capacity for electricity is diminished. You are interested in unemployment if for no other reason than because its paralyzing blight compels curtailment in your service.

And while I speak of growth, let me say that it is one of the inspiring things about the electrical industry that its prosperity is seldom measured in terms of curtailment—it is only reflected in lack of growth. Want of growth to you is more painful than declining volume to other industries. You exemplify the zest of youth, always to grow and develop, while many other industries have become accustomed to the ups and downs of age. When they are enervated by decline, their ambition is not so much to grow as to restore the health of youth. In the enthusiasm of your youth and growth you have scorned the doctors to which older people must resort; but one day you, too, will have to take account of the economic diseases which affect the Nation as a whole or face the problem, not of diminished growth but of retrogression. So, perhaps, it is not inappropriate to speak of some of the basic economic problems of America, even to this convention of the electric light and power industry.

Now, returning to the problem of the American surplus and what to do with it. Let me first say that it is one problem and not a series of problems, whether the surplus is in wheat, cotton, copper, oil, automobiles, or unemployed plants and men. It is one problem from the standpoint of large principle and general policy. We must first of all decide what our national policy is to be with regard to our surplus, and not until that is done can we hope to establish measures of effective relief for our surpluses in any particular field. One reason why our thinking has been confused and our efforts have not been fruitful in dealing with a particular problem, such as farm relief, is because we have not established a consistent national policy. We attempt to develop a specific measure for farm relief and then we find that our efforts are neutralized by other national policies or activities entirely inconsistent with it. Let us take this problem of farm relief. There is no longer any mystery in anyone's mind as to what the problem is. There is confusion only as to how to deal with it.

Our agricultural problem arises from the fact that in many of our important lines we produce more than we can consume. Consumption can not be materially increased. Thin figures require not more wheat but less. Short skirts require not more textiles but less. Diets require not more meat but less—and what are we to do with the surplus? The production of that surplus can not be closely controlled. It lies not only in the hands of the farmer who plants but in the hands of that Providence which brings the rain and the sun and the wind at proper or improper intervals. No intelligence of human beings is large enough to adjust our agricultural production to consumption in our domestic markets. Well, what shall we do with our surplus of wheat or cotton, or what you please? We must get rid of it. There are only two ways. Either we must burn it at home or sell it abroad. If America starts to burn surplus wheat when people are hungry elsewhere in the world, that fire will start a conflagration which we can not stop. If America burns surplus cotton when men are underclothed elsewhere in the world, that fire will start a conflagration which we can not stop. There is no way out except to market this surplus where men are hungry and where men are underclothed.

Now, take the surplus of our mines and factories. We can not overlook the fact that in 1927 we produced 51 per cent of the world's copper, 72 per cent of its oil, and 43 per cent of its pig iron. The output per man in our factories has been rapidly increasing since 1919. Using that year as 100, the increase for all industries combined in the United States shows 1926 at 138, 1927 at 140, 1928 at 147, 1929 at 152, and the end is not by any means reached. In many industries, and especially those in which surpluses exist for export, the increase has been much more rapid in percentage. In the electric manufacturing industry it is in excess of 164, and in the automotive industry it is approximately 200. It is therefore clear that as our production per man increases in our factories, and goes beyond the power of our consumption, we must export that surplus or have corresponding unemployment in those industries.

As I have said before, that surplus is more easily controlled in so far as it is stated in terms of goods. We may reduce that surplus to nothing, and if it can not be marketed outside of the United States it will be reduced. The method, however, of reducing the surplus of our mines and factories is to let some part of them lie idle, and worst of all to let the men who have been employed in that production remain idle. In a word, we have merely translated this surplus into other terms, a surplus of mining and manufacturing facilities which are idle on our hands, and a surplus of labor which is likewise idle. The idleness of men who wish to work is the most dangerous surplus which can exist in any country. Its paralyzing blight reaches not into our economics alone, but goes much further. We must learn how to deal with this kind of surplus. It is the same problem as our agricultural surplus, but it should be easier to deal with. It is ridiculous to speak of unemployment as a necessary condition of human society. It is nothing more than a maladjustment of its machinery. It is a blot on our intelligence. It is a drain on our sympathy. It is a promoter of charity which affects disadvantageously both those who give and those who receive. Some day we shall learn to do better, but we must learn it soon. It is easier to deal with, as I have said, than an agricultural surplus, because that is represented by specific articles, whereas unemployed labor may be turned to new channels and new kinds of production. It has not yet been crystallized into goods. Technological unemployment must be taken up by the creation of new industries. Seasonal unemployment may be remedied by setting up complementary seasonal jobs or by larger inventories in the period of smaller sales. Cyclical unemployment may be alleviated by the methods in which the President has so courageously shown the way. But some part of this surplus of labor should be used for the purpose of creating an exportable surplus of goods and services.

If we can make automobiles advantageously for other people, if we can make radio sets, if we can make typewriters, if we can make electrical equipment, then we have direct avenues through which we can market a certain amount of our labor surplus and our plant capacity outside of the United States. This will be of advantage to us and to those who buy our goods. Just as we must market our wheat and

cotton and meat where people are hungry and are underclothed, so we must learn to market this surplus of our mines and factories, this surplus of labor and plant capacity, where men elsewhere need the goods which we can profitably make for them.

How can we market these surpluses, both agricultural and industrial? The method is well known. Those who need our goods are the potential buyers. One cultivates his potential buyers. He does not rebuff them. He seeks their friendship and their good will. If they need credit he extends it. If they have goods which he can take in exchange without curtailing the business of his own country, he makes it a point to take them. Is that the attitude of America to-day toward her potential customers? Are we creating good will or bad will in the countries where they live? Are we interesting ourselves in their welfare? Are we concerned about their living standards? Are we extending them credits through our financial machinery? Are we cooperating with them politically in order that they may improve their condition? Are we making friends, and so creating an attitude of mind, a spirit of relationship which will convert potential customers into actual ones? I venture the prediction that we must do so if we are to conserve our own economic structure, not as a matter of charity but of self-interest. The people of America, and particularly the farmers with their agricultural surplus and the wage earners with unemployment, must learn that the solution of their problem lies, not in a narrow isolation of America from the rest of the world, not in an insulation of our economic structure but in the broadening of our interests, the extension of our aid, the development of our credit machinery, the improvement of the economic conditions of other folks in order that they may buy what we so badly need to sell.

The enemies of the rapid realization of that desired end in America are suspicion, a narrowness of sympathy and point of view, both political and economic; a tendency to treat other peoples as our economic enemies rather than our friends, a threatening nationalism which in its extremes is dangerous to peace and good will. All of these things are too often played upon for selfish ends by racketeers both in economics and in politics. This country and the world has no use for them. Racketeers in finance are not one whit better—in some cases they are worse—than the gunmen who likewise take their toll from society. At least it may be said of the latter that they show physical courage. And the political racketeer is certainly no better than the rest. He gambles recklessly for his own advantage with destructive policies, both at home and abroad, which ultimately ends in the very economic depression which we seek to avoid. There is no success for the American people through destructive policies based on suspicion of another's motives, or on envy of his success. I have great hope, Mr. President, that the good sense and fine spirit of America will overcome promptly these poisonous infections, and that we will destroy those would-be leaders, both in public and in private life, whose chief stock in trade is the public or private assassination of American good will, on which our prosperity must be based.

How can we market either our agricultural or industrial surplus to the world so long as we act on the principle that we are not interested in the welfare of anyone but ourselves? I had hoped that that old doctrine of narrow and self-destroying selfishness was being supplanted in this new day by a consciousness that men helped themselves the most by helping others, too. Isolation in our politics, exclusion in our tariff, means that we will retain as a just penalty to our own littleness the surpluses which we might otherwise market to the peoples of the world, and which so long as they stay with us, destroy our own prosperity.

And now, Mr. President, let me speak of the use of our savings, that is to say our fund for investment. Shall we use it exclusively at home, as many so strongly urge, or is it wise in the national interest and in the interest of the individual investor to use some part of it abroad? It has become a habit in certain quarters to malign the so-called international bankers. They are charged with selling the financial resources of America abroad to make a profit for themselves. A moment's reflection will prove that the attacks made on them are either ignorant or malicious. The first I can forgive; the second I can ignore, because intentional malice in America will soon make a victim of the man who uses it.

Let us see what the international bankers do. One thing they do is to offer in the American market bonds or other securities of foreign governments or businesses. What is taken out of America in payment for these obligations? One would think, to hear many of the charges, that the international bankers loaded ships with American currency and sent it abroad in payment of the securities sold here. They forget that American currency would be of no service to the borrowers. One would think that the international bankers loaded ships with our gold to pay for the obligations sold here. And yet, in the last 10 years, something in excess of $10,000,000,000 of foreign obligations have been sold in America, and during that period our net stock of gold has increased. Well, if we do not send out in payment of foreign securities our currency or our gold, what do we send? The answer is simple. We send American goods. I venture the statement that these much maligned international bankers have done more in the last 10 years, and will do more in the next 10, for the relief of our farmer and our industry than all the Government agencies which have been or can be employed. The further development of our international finance, the better development of the world's credit facilities, will more than anything else create actual buyers for our surplus of wheat, cotton, and the products of our mines and factories. Just as our own banking facilities have promoted the purchase by our own people of larger quantities and more diversified kinds of goods, irrespective of where they may be made in the United States, so an improvement in international credit machinery will be of the greatest benefit to the United States as a creditor nation having surpluses to sell.

In fact, either international finance and credit must be developed to a much greater degree than now, or our tariff will have to go if we wish to sell our agricultural and industrial surplus abroad. Something must come in if wheat and cotton and meat are to go out. In the long run the only things to come in are either commodities, including gold, or foreign obligations. We have restricted the import of foreign goods, and we do not wish the unsettlement that might come from a further large flow of gold this way. It is natural, therefore, that the volume of our merchandise exports during the past 10 years should have followed broadly and strikingly the volume of foreign security issues in our markets. During the past 10 years the foreign obligations sold in this market were about 15 per cent of our exports for the period, but that 15 per cent was a most material contribution to our prosperity. The dividing line between prosperity and the want of it is so sensitive that all our surpluses vitally affect it. They may represent only a small percentage of our total volume, as in fact they do, but unless they are wisely and intelligently handled they are bound to create disaster. In fact, our surpluses are a kind of governor of our economic engine. Either they blow off at the appropriate time or the engine blows up. That is the reason why I think it worth while to pay so much attention to them to-night. Any use of our credit which will move these surpluses at the right time and in the right volume is one of the most effective services which our surplus savings can render to the prosperity of this country.

But some one says we can not go on always taking foreign obligations for our exports. There will be an end in time. Yes; but if our credits are wisely extended, the ratio of our foreign obligations to the capacity of the world to pay will be a diminishing one.

In this connection, Mr. President, I am prompted to mention the great service to the economic development of the world which is now being made by men in your own industry. Electrical-power plants are now being engineered and financed and managed by you in many parts of the world, and the result will be that you will duplicate there what you have done here. You will multiply the capacity not only of the worker through the substitution of electric power for his own, but relieve the drudgery of housewives by substituting electric power for their own. You will develop the productive and consuming capacity of every community which you serve. This industry is showing the way. America can do a helpful job in the economic development of countries less advanced in technical fields than our own. When you think you are sending hundreds of millions of dollars to develop electrical plants in other countries, you are not sending dollars at all; you are in the last analysis sending American goods, and every wage earner, every farmer, and every citizen of the United States is being benefited by the work you do. The goods may not go to that particuar country in which you build a plant, but they go out of America.

My friend, Sir Josiah Stamp, has helpfully called our attention to the fact that the pieces of paper which serve as bonds, notes, bills of exchange, and certificates of stock, are not things of consequence in themselves. They are merely the symbols of something which is taking place. Their use reflects in some form human effort and the distribution of its produce. This great movement of pieces of paper, which we reckon as international finance, amounts to nothing except as it evidences a great interchange of goods and services throughout the world. Therefore—and this is a point which I wish to drive home—when foreign obligations are coming to America, American surpluses are being moved out. Farmers and industries are being benefited. Instead of diminishing such movements, America needs right now to have them increased. It will be the salvation of any farm-relief program. It will aid our industries and our mines. It will help with our unemployment. This means that we should use some part of our surplus savings wisely to increase the consuming power of other peoples.

And so, Mr. President, my final word on this subject is this: When our political policy in international affairs becomes cooperative in spirit (which need not involve us in entanglements or alliances), when our economic policy looks to the economic development of the world as a whole and the improvement of living standards everywhere, when our tariffs and our treaties are made to evidence this spirit (because we are under suspicion now), then we may hope for effective plans for farm relief, for reduction of our surplus of raw materials and manufactured goods, for relief of unemployment, and for—what is most important of all—a better spirit of all nations toward us and toward each other. That means peace, and peace thrives in a world of contentment and mutual welfare. It can not live in a world or in a nation where there are great inequalities and injustices caused by man-made barriers.

What shall our policy be? Whatever it is, it must be a large and all-embracing one. We can not have a world-wide economic program if it is to be defeated by a narrow political policy. It does no good for

businesses to send their representatives to foreign countries to sell our surplus goods if, politically, we ruthlessly offend the very customers they are trying to create. We may tax ourselves in huge amounts to buy a farm surplus, but we will have to move it out of America or that program will fail. After all, the consuming power of the world has to be raised but little to take care of the surpluses which cause so much disaster to ourselves.

We more than anyone in the world need an era of good feeling, not only in our own country but elsewhere. I beg the leaders both in politics and economics to cultivate it. He who makes bad feeling at home or abroad is not only a destroyer of our prosperity to-day but he will be the cause of far worse things to-morrow. America has no use, nor has the world, for professional manufacturers of bad will.

Your industry, Mr. President, has been the beneficiary of great scientific achievement. It has functioned in this greatest of domestic markets of the world in a period of prosperity. Your futrue growth is bound to be very great, but as your industry enlarges its applications to all others and more and more as you furnish power for all other industries, you will feel directly and you will reflect quickly the basic economic conditions of the people whom you serve. So I have felt at liberty in this interval to-night, which was intended to be occupied by another, to express to you my views on these basic matters. If they have interested you, I am gratified. If they have not interested you, I am appreciative of your courtesy.

HOMELESS AND INDIGENT INDIANS (S. DOC. NO. 203)

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Interior, which will be read, ordered to be printed as a document, and referred to the Committee on Indian Affairs.

The Chief Clerk read as follows:

THE SECRETARY OF THE INTERIOR,
Washington, June 25, 1930.

The PRESIDENT OF THE SENATE:

SIR: I have received Senate Resolution 287 of June 17, 1930, which calls upon the Commission on the Conservation and Administration of the Public Domain and the Secretary of the Interior for certain data.

A study of the resolution discloses that it has mainly to do with an investigation into the questions of what public lands and national reserves might be utilized for Indians where needed. The policy in connection with the disposal of our public lands is now being studied by the Committee on the Conservation and Administration of the Public Domain, of which Hon. James R. Garfield is chairman, and I note that the Senate resolution requires the commission to give consideration to Indian uses.

An intensive study and thorough investigation in the field would be necessary to make the appraisal called for in the resolution and to determine Indian needs for more land. There are no funds available for this investigation and our present force of field officers is not sufficient to enable us to do the work. It is estimated that it would cost about $75,000 to make the survey promptly. If the work is to be done without additional funds being provided, considerable time will be required to comply with the requirements of the Senate resolution. While this work must necessarily be coordinated with the study of the committee on conservation, it would be desirable for us to be advised of the policy of the committee before undertaking the survey.

Very truly yours,

RAY LYMAN WILBUR.

GOVERNMENT POWER PLANT AT WILSON DAM

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 303) submitted by Mr. BLACK on Wednesday, June 25, 1930, as follows:

Resolved, That it is the sense of the Senate that pending the enactment of legislation providing for the disposition of power generated by the Government power plant at Wilson Dam, the Secretary of War should not discriminate against municipalities in the sale of said power, but should sell power to municipalities applying for same, upon as liberal terms and conditions as such power is sold to private power companies.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. BLACK. Mr. President, I send to the desk an article from the Washington News, which I desire to have read in connection with the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The Chief Clerk read as follows:

[From the Washington Daily News, Monday, June 23, 1930]

INACTION OF CONGRESS EMBITTERS AMBITIOUS MUSCLE SHOALS CITY

By Ruth Finney

MUSCLE SHOALS CITY, ALA.—Listless and hopeless, this little town and the three adjoining it await news that Congress has adjourned once more without saying the word that would start the dynamos humming at Muscle Shoals.

There are many thousand bitter men and women in this neighborhood. They are bitter about the Federal Government and its joint and several departments, about "the interests," about the Alabama Power Co., and about Claudius Huston.

One of them said to-day: "Starving isn't pleasant. I guess I'll have to move out."

Another said: "How could we have guessed the Government would let these millions of dollars lie idle year after year? I have wasted 12 years now and lived on hope."

These little cities, arrested and motionless, as if under evil enchantment, have dreamed magnificent dreams and know all the anguish of the dreamer disillusioned.

Their people have invested money in the dreams, and the money is gone.

TELLS ONLY HALF STORY

Muscle Shoals City is the most pitiful. When Judge Fred Johnson, jr., wired Senator BLACK that the city fathers were writing by the light of kerosene lamps he didn't tell half the story.

The modern little stucco city hall from which he sent his message stands on a 2-mile boulevard, green fields on both sides, where business buildings were to have been, but lined its whole length with handsome and useless electroliers.

Overhead the air is full of high-tension power wires. On the edge of Muscle Shoals City and on the edge of Florence, across the river, stand the two tallest power towers in the world.

Hanging from them is a network of cables and wires. They are the property of the Tennessee Power Co., subsidiary of Alabama Power, which built them and bought the power for them from the Government after the city of Muscle Shoals had asked for power again and again and failed to get it. A mile away a torrent of water, potential, unused power, dashes through the spillways of Wilson Dam.

POWER, BUT NOT FOR THEM

Power everywhere, but none for Muscle Shoals City, and everywhere reminders of that bitter fact.

The little town tried to buy the Government's idle waterworks once, too. It offered to pay a good price and supply the Government with water for all its officers and workers free of charge. The Government would not sell the plant to the town. It stands idle to-day.

Sheffield, adjoining Muscle Shoals, buys domestic power now from the Alabama Power Co. It, too, has asked to buy surplus Government power, since the power company's franchise expires soon. So far it has failed. But it has refused so far to renew the company's franchise.

* * * * * * *

They would prefer Government operation of nitrate and power plants, because it would mean cheap fertilizer and cheap power for sale to attract many different industries to the region.

Coal is here in abundance; iron; asphalt; bauxite, from which aluminum is made; and the raw materials for a dozen chemical and other industries, as well as timber and cotton.

The people visualize a city of 100,000 inhabitants built around the skeleton they have prepared. And their dream is not unreasonable. The big $51,000,000 power plant is ready to operate at full instead of part capacity.

The $80,000,000 nitrate plants are in perfect, polished condition. Natural resources abound. Fortunes wait to be made. But 12 years have passed, and Congress is ready again to adjourn.

PROPOSED LEGISLATION FOR RELIEF OF WORLD WAR VETERANS

Mr. CUTTING. Mr. President, I wish to say a few words regarding President Hoover's statement to the press with respect to the World War veterans' bill. I refrained from doing so yesterday because I thought that some voice of more authority than mine would be raised in defense of legislation which was passed in this Chamber by a vote of 66 to 6.

It is evident that the silence which has reigned here has made the press and the people of the country misunderstand the issues which were raised by that proposed legislation and by the President's statement. So far as I have seen, the newspapers of this country have taken the words of the President, backed by the statement of the Director of the Veterans' Bureau, as 100 per cent correct.

I am sincerely loath to take any issue with a statement from the President of the United States. I have known Mr. Hoover for a great many years; I have admired him; I have worked with him; I have been a part of his relief organization. He was my candidate for the Republican nomination two years ago. I think no one supported his election more loyally and whole-heartedly than myself. I do not criticize him now. I think he has been misled; but his great personal reputation, as well as his high office, would seem to require that, even though misled, he do not mislead the people of the United States.

For at least 11 years I have been spending most of my time in fighting the battles of the disabled veterans of the late war.

I believe that I owe them a duty more sacred than that concerned with any personal affection or political loyalty.

The President has made no conscious misstatements, and I do not accuse him of having done so; but, none the less, the statement which he gave to the press is full of error, is misleading, and inaccurate. I should like to deal with it briefly for a moment.

The statement begins as follows:

In this problem we are dealing with sick and disabled veterans. Except for some marginal cases the Government has long since generously provided for the men whose disabilities arise from the war itself.

This statement, as any one knows who has been engaged in work for the disabled, is entirely incorrect.

We have had the statement made on the floor, and no one has attempted to controvert it, that to-day the uncompensated veterans are dying off at the rate of over 70 a day. Those who know the details of veterans' cases know that a very large percentage of the men who are dying off to-day have service-connected cases. Through some technicality their evidence has been refused by the bureau.

The presumptive clause and much of the other legislation which we have passed in Congress would have been totally unnecessary if the bureau had performed the duty which Congress originally laid down for it, namely, that in doubtful cases it should give the veteran the benefit of the doubt. That has not been done. These men who are dying in the hospitals all over this country are dying not as the result of the negligence of Congress, not as the result of the remissness of the taxpayers, but as a result of the bureaucratic mismanagement which has been going on in the Veterans' Bureau. Of course, the director of the bureau will defend the action of his own organization, and that is all the evidence on which the President issues his statement.

I quote further:

These cases before us, except for a comparatively small number of marginal ones, are in reality men disabled from incidents of civil life since the war.

Another statement which can not possibly be substantiated.

The whole matter is one that must be approached in a high sense of justice and utmost sympathy. But this veterans' bill is just bad legislation. It is no more in the interest of veterans than in the interest of the taxpayer. The financial burdens, the amount of which has again been reaffirmed by General Hines (and they were even increased by Senate amendments yesterday) do constitute a serious embarrassment to the Government and to the country, but there are other objections even more serious.

This bill selects a particular group of 75,000 to 100,000 men, makes provision for them in the most wasteful and discriminatory way conceivable, and entirely neglects the equal rights to help of over 200,000 more veterans who are likewise suffering from disabilities incurred in civil life since the war. Furthermore, the very basis of the bill sets up an untruthful and, according to our physicians, a physically impossible "presumption" and predicates its action upon this.

Mr. President, what is here termed "a physically impossible presumption" is the presumption included in our bill that diseases of certain character contracted before January 1, 1930, should be considered as having a service origin. The statement of the President that that presumption is untruthful and physically impossible is entirely controverted by the statements made the other day by the two distinguished medical Members of this body, the senior Senator from New York [Mr. COPELAND] and the junior Senator from West Virginia [Mr. HATFIELD].

I should like to quote a little of the testimony given by the Senator from West Virginia before the Senate Finance Committee on this subject.

Mr. Chairman—

Said the Senator from West Virginia—

how any expert in the medical profession can testify as to the time when a tubercular infection actually started and how long it remained dormant in the human system before developing into active tuberculosis is beyond my comprehension as a physician.

And he quotes from a textbook of medicine edited by Dr. Russell L. Cecil, as follows:

Tuberculosis is almost unique among infections in that it has, properly speaking, no period of incubation. Infection of the body is accomplished, and the anatomic marks of infection come into being and many remain indefinitely long (for months, years, or a natural lifetime) and the body meanwhile never exhibits symptoms of disease.

The Senator from West Virginia continued—and I wish I had time to read his whole statement—

There is no doubt in my mind that a majority of the veterans who have developed active tuberculosis since the World War really contracted this disease during their service. In a large number of these cases there were no outward manifestations during and immediately following their service, such as temperature, cough, lung irritation, etc., because the body resistance was capable of overcoming and controlling the growth of this tubercular infection, isolating it in the body for the time being by surrounding the involvement with a wall of tissue and organic material built up by nature. In these cases the infection has remained dormant until that period in the veteran's life was reached when his resistance was not as great as it had formerly been, due to the lack of proper surroundings and food or because he was subjected to long and arduous labor for the support of his family, bringing about a lowering of his resistance when the break comes and the active process of this latent tubercular condition develops and becomes an outspoken tubercular manifestation.

Later on, the Senator says:

There can be no justifiable contention made from medical history that the presumptive period of tuberculosis if extended to January 1, 1930, would be more than conservative in time as to the period of incubation between the initial invasion and the time of its outward manifestation.

Then the Senator goes on to explain that the same thing applies to neuropsychiatric cases and concludes by saying:

Considering the presumptive period in the beginning of the administration of the World War veterans' act of 1924, and the suggested amendments in H. R. 10381 extending this period, it is inconceivable to conclude, as a matter of justice and equity to the veteran, that neuropsychiatric diseases, the seeds of which were planted while the veteran was in the service of the Government, should be limited to 1925 as the outside presumption during which disease could develop from an exposure that the soldier was subjected to during his service in the war, as it is not in harmony with the conclusions of authors in dealing with this subject of paralysis agitans and kindred diseases.

I ask at this point that the entire statement of the Senator from West Virginia be inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

STATEMENT OF SENATOR H. D. HATFIELD, OF WEST VIRGINIA

Senator HATFIELD. Mr. Chairman, how any expert in the medical profession can testify as to the time when a tubercular infection actually started and how long it remained dormant in the human system before developing into active tuberculosis is beyond my comprehension as a physician, in view of the history of this disease as described by nearly every author dealing with this subject.

I quote from a Textbook of Medicine by American Authors, edited by Dr. Russell L. Cecil (associate editor, Dr. Foster Kennedy), which incorporates in its text the views of some of the most outstanding specialists on the subject of tuberculosis:

"Tuberculosis is almost unique among infections, in that it has, properly speaking, no period of incubation. Infection of the body is accomplished, and the anatomic marks of infection come into being and many remain indefinitely long (for months, years, or a natural lifetime) and the body meanwhile never exhibits symptoms of disease. On the other hand, it is certain that, when active tuberculosis does make its appearance, in the vast majority of instances it is an expression of an infection that originated a comparatively long time previously (weeks, months, or even years before), and during all this time has resided in the body in a state of clinical quiescence; that is, without noticeable effect on the body economy."

It is largely a matter of resistance of the body, from a standpoint of health, that continuously prevents death from a latent infection of tuberculosis. Wholesome food, healthful surroundings, and mental contentment play an important part in maintaining the resistance of the human body of any individual so infected and these elements are also the surest guaranty against such infection. There is no doubt in my mind that a majority of the veterans who have developed active tuberculosis since the World War really contracted this disease during their service. In a large number of these cases there were no outward manifestations during and immediately following their service, such as temperature, cough, lung irritation, etc., because the body resistance was capable of overcoming and controlling the growth of this tubercular infection, isolating it in the body for the time being by surrounding the involvement with a wall of tissue and organic material built up by nature. In these cases the infection has remained dormant until that period in the veteran's life was reached when his resistance was not as great as it had formerly been due to the lack of proper surroundings and food, or because he was subjected to long and arduous labor for the support of his family, bringing about a lowering of his resistance when the break comes and the active process of this latent tubercular condition develops and becomes an outspoken tubercular manifestation.

I quote from a Textbook of Medicine by American Authors, published in 1927, again:

"Environment factors comprise all postnatal personal experiences that can be shown to have an influence on the manner in which the

body receives the tubercle bacilli and on the course of whatever tubercules may be established.

"There is no other infection that reacts so definitely and yet so delicately to outside or environmental influences. It can be stated almost as an axiom that both morbidity and mortality curves of tuberculosis for a community will run parallel with the curves for disease and death in general; which means that where the general standards of public health and hygiene are low there is much tuberculosis and many deaths from it, and vice versa.

"Active tuberculosis is a disease of every age, with its death rate highest in the fifth decade among city-dwelling males, and lowest in the second half of the first decade. But it is probable that more first outbreaks of the disease occur in the third and fourth decade of life than at any other period; that is, the breakdown from active tuberculosis is most likely to come not at the age of diminished vigor, but at the time of the greatest stress of environment."

I desire to mention particularly at this point that more first outbreaks of the disease occur in the third and fourth decade. It was in exactly this period of life from which the military forces were collected. In other words, it would be between 20 and 40 years. The average age of the drafted man was 23 years and a point that should not be overlooked in the discussion of this matter is that a comparison of diseases among civilians is opposite of the soldiers due to the fact that the soldier was a picked man in the service and was compelled to undergo strict examinations and was rejected if his health was not good. It follows that these young men at the height of their physical manhood were probably better able to temporarily resist these infections, even though they were subject to the rigors of military life, exposure, separation from family, changed food, and a routine to which they were entirely unfamiliar.

There can be no justifiable contention made from medical history that the presumptive period of tuberculosis if extended to January 1, 1930, would be more than conservative in time as to the period of incubation between the initial invasion and the time of its outward manifestation.

In many cases veterans with infections hitherto inactive will suffer the ravages of the dreaded white plague known as tuberculosis long after 1930 if the limitation is extended to this period.

The same can be said of many of the diseases known and designated as neuropsychiatric, as well as other pathologies of the body due to lack of proper metabolism, resulting in chronic forms of diseases, which possibly never take unto themselves or at least seldom, acute manifestations. The neuropsychiatric and other mental conditions differ widely as to cause. Many of the neuropsychiatric conditions are due to ordinary infection, such as the bacteria of influenza and many other bacteria responsible for acute diseases, such as pneumonia, bronchitis, and so forth. Following up its primary infection as a secondary condition involving membranes of the brain which more or less extends into the superficial brain structures causing encephalitis which may be mild in its local manifestation, resulting only in annoying headache. The infection, however, continues to exist, ultimately involving the normal nerve and brain substances, resulting first in an infiltration or swelling of these tissues, and the displacement of these normal substances capable of producing reaction to motion, sensation, and thinking, displacing them by way of new growths, destroying or wiping out their normal substance and reducing to a minimum these sensory and motor impulses that were in the normal state an integral part of the thinking and acting of the individual. The primary infection, finally resulting in tremor of the extremities, ultimately interferring with locomotion, such as is witnessed in paralysis agitans, a disease brought about in many instances by depression, emotion, physical exhaustion, and injuries. Also acute infections may precede the onset of the disease and result in its cause.

In part, I again quote from the Textbook of Medicine by American Authors, taken from the section on nervous diseases edited by Dr. Foster Kennedy, professor of neurology at Cornell University and head of the neurological department of Bellevue Hospital, New York City, his description of the symptoms indicating how this disease manifests itself:

"The onset of the disease is insidious, and, as a rule, progress is slow and gradual. The first symptom may be a fine rythmatical tremor of the hands or fingers, which is at first slight and inconstant, but soon becomes permanent and continues during rest."

This proves conclusively that paralysis agitans and other kindred morbidities which are frequent terminal manifestations found in the World War veteran are due to infectious processes which in all probability can be reasonably presumed to be traceable to one of the infections heretofore referred to as being primarily the cause of these maladies and many others of the central nervous system found in the soldier.

I quote again from the same authority:

"The syndrome is a frequent sequel of encephalitis lethargia, referable to a localization of the inflammatory processes in the corpus striatum and subjacent structures."

Considering the presumptive period in the beginning of the administration of the World War veterans' act of 1924, and the suggested amendments in H. R. 10381 extending this period, it is inconceivable to conclude as a matter of justice and equity to the veteran, that neuropsychiatric diseases, the seeds of which were planted while the veteran was in the service of the Government, should be limited to 1925 as the outside presumption during which disease could develop from an exposure that the soldier was subjected to during his service in the war, as it is not in harmony with the conclusions of authors in dealing with this subject of paralysis agitans and kindred diseases.

The same conclusion will be controlling in a great majority of nervous and mental maladies to which the World War veteran is heir.

As supportive of this statement, I quote again from that section of the Textbook on Medicine, by American authors, dealing with diseases of the nervous system in which it states:

"The course of the disease is slowly progressive, but the patient may live for many years; when the infection appears in young adults it may persist for two or even three decades, but the condition is incurable."

With these facts submitted to your honorable committee, attested by authorities in the profession of medicine, whose reputations are beyond question, and taking into consideration again that these unfortunate men who fall by the wayside, stricken by disease contracted primarily in the service of their country, I feel certain you will give this matter the favorable consideration it merits. Whether the Congress of the United States is willing to be liberal in extending the presumptive period to the first of this year or not, in the final analysis these veterans will necessarily have to be supported by some branch of this Government. It may be in many instances city, county, or State, but whatever division of government takes care of them, this responsibility rests upon society in the final analysis. The cost will necessarily have to be borne by the public, and why should it not be by the largest unit of government, for the reason that these veterans gave their services unflinchingly when their country needed them. These men were not members of military establishments in any city, county, or State, but were soldiers of the United States and should be taken care of by the Federal Government. They are entitled, therefore, Mr. Chairman, to the benefit of every doubt, and surely there should be no question so far as extending the presumptive period from 1925 to January 1, 1930. You have a preponderance of evidence, conclusive in its proof, that even if the presumptive period is extended to January 1, 1930, it will leave many of those who contracted these ills while in the service of the Government to be provided for in the future.

I am firmly convinced that as a matter of equity there is justification for a presumptive extension to the first of this year for all chronic disabilities. It is most imperative, however, as a matter of justice, that this Congress should at least extend the presumptive period of tuberculosis and neuropsychiatric diseases to January 1, 1930, because of their more rapid progress to the end than the ordinary chronic maladies from a medical viewpoint.

The time has arrived that a solution should be worked out looking to the relief of all veteran problems as near as is humanly possible. We should not be unmindful of the condition of our noncompensable veterans. They are now dying according to Veterans' Bureau statistics at the rate of 73 per day or 25,000 a year, which to me and no doubt to your honorable committee is a most urgent problem and should have the most serious consideration by Congress at this session.

In West Virginia we have a hospital waiting list numbering approximately a hundred, and many of these unfortunate men have died waiting for admission to and treatment in hospitals. Some of them have been on the waiting list for more than a year and only recently I came in contact with a veteran who was suffering from an exophthalmic goiter and had been sent to a neuropsychiatric hospital located at Chillicothe, Ohio, where, in my judgment, he should have gone to a surgical institution and there prepared for an operation with the hope of eradicating the disease, which is the only method known to the profession that relieves this condition.

I wish to thank the committee for permitting me to add my testimony, with the hope that it might shed some light upon this subject because of my training in the profession, which extends over a period of more than 35 years.

Mr. CUTTING. To my mind the statement of the Senator from West Virginia, backed up as it was the other day by the Senator from New York [Mr. COPELAND], is of more importance than the decision made by a council of doctors in the Veterans' Bureau. I have known the Veterans' Bureau a long time, and I know how these doctors act, and I know that they are expected to decide a case against the veteran whenever there is any excuse for doing so; and I know, furthermore, that if they do not carry out that line of policy the doctors in question eventually are dropped from the rolls of the organization.

I quoted the other day, however, a case which has been passed on by at least 30 doctors of the Veterans' Bureau, where they all traced a case of paralysis of the insane to syphilis alleged to have been contracted in 1904, and which did not actually develop any symptoms until 1925. So it seems to me, that the doctors of the Veterans' Bureau themselves have decided that a neuropsychiatric disease can be traced back at least 21 years; and therefore I think we made a mistake in the bill which we passed the other day in making the presumptive period last only

until 1930 instead of to 1940, which would be the logical date in view of that decision of the Veterans' Bureau.

Mr. STEIWER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. CUTTING. I do.

Mr. STEIWER. Before the Senator leaves the matter which he is now discussing, I wish to refer further to the statement which he has read to the effect that the enactment made by Congress is discriminatory.

The Senator is very familiar with the trend of this legislation, and I should like his statement as to the nature of the discrimination. Is it not true that this bill, like all other veterans' relief legislation passed by the Congress of the United States since the Great War, is discriminatory merely in that it provides relief for those whose disabilities were service connected, and the discrimination is between service-connected disability and disability which is not service connected and which may have been incurred in industry or in some other way subsequent to the time of the World War?

Mr. CUTTING. The Senator has stated the matter with complete clarity.

Mr. STEIWER. That being true, does the Senator feel that the word "discriminatory" ought to be used in characterizing the line of demarkation laid down in this legislation? Is it not true that this bill merely makes more liberal the policy heretofore adopted by the Congress and that any relief which leads to disability pensions would be a deviation or departure from that policy?

Mr. CUTTING. Answering the Senator's question, I do not think the word "discriminatory" should have been used, and there are many other words in this statement, if I may say so, which I also think should not have been used.

Mr. STEIWER. I concur with the Senator that the word "discriminatory," as applied to this particular question, implies a meaning which the President probably did not intend, or which I think should not have been intended. The supposed discrimination in the pending legislation as well as in existing law is not arbitrary or unjust. It is merely the classification through which Congress has recognized the superior claims of those whose disability was caused in military service as distinguished from disabilities for which the United States has no responsibility, either legal or moral.

Mr. CUTTING. I agree with the Senator.

May I quote further from the President's statement?—

> For instance, a man who has served a few days in the Army in his home town or in camps and afterward enjoyed 7 to 12 years of good health, then after all that time incurs any affliction, is thereby declared to have a disability due to the war and is to be compensated or pensioned on the same basis as the man who suffered in the trenches and from actual battle.

Mr. President, all that one can gather from that sentence in the statement is that the President can not possibly have read the bill which we passed the other day, because it is not the veteran who incurs "any affliction" who comes within this presumptive clause, but merely the veteran who contracts certain specified afflictions in the case of which it is difficult to trace the origin or incubation of the disease.

Furthermore, even in those cases the evidence is rebuttable. It is merely a presumption, which is valid unless some superior evidence can be brought forward.

The President continued, referring to the bill:

> These things violate not only the fact but the very integrity of Government. It is a sad thing for our Government to set standards of subterfuge to our people. It is unfair to all other veterans who have become disabled in civil life. It is unfair to the whole spirit of the World War veterans.
>
> There are emergency and marginal cases which I have insisted should be cared for and which will be cared for, and there is the additional necessity for us to study the broader subject exhaustively before we plunge.

Mr. President, the World War has been over nearly 12 years. If the subject could be studied exhaustively, it should have been studied exhaustively before this time. The very legislation which we passed the other day has been the subject of considerable thought by a good many Members of both Houses and by the veterans' organizations all over the country. The particular clause extending the presumptive period, which the President so bitterly criticizes, was suggested in a bill which I introduced more than two years ago. The bill was never acted on, but it represented the fruits of some 10 years or so of experience in the line of work for the disabled.

I think this study has been made fairly exhaustively. I do not think we can be considered to be "plunging" when we merely act on the lessons which we have learned since the World War ended.

If anyone can be criticized for plunging, Mr. President, surely that criticism could be extended to those who wish to overturn the entire basis of veterans' legislation up to date, to introduce a pension system, not based on disability due to service origin, but based merely on disability from any cause.

I am not criticizing the pension system; it may well be that it is a system superior to the one under which we are acting, and that in time we shall adopt it as our permanent system; but apparently that is the system which is now being advocated, that is the system which the Republican Members of the House in caucus assembled decided to adopt as a substitute for the present, and then they criticize us for "plunging." Is not the "plunging" on the part of those who would adopt something entirely new in the last days of the session?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. BARKLEY. Has there been up to date any such exhaustive study of a permanent pension system as would justify this substitution, when it is compared with the study which has been given to the system which we adopted the other day, and which we have applied as our policy since the World War?

Mr. CUTTING. I know of none.

Mr. BARKLEY. How can there be any condemnation of the alleged haste with which Congress passed the bill which we sent to the President the other day when we reflect upon the fact that the bill, which is to be offered now in another body as a substitute, without previous consideration by any committee, is to be adopted after 40 minutes' debate?

Mr. CUTTING. I quite agree with the point of view of the Senator.

I shall finish reading the President's statement:

> The American Legion presented a bill designed for emergencies which has had the earnest support of many administration members, but their views have been overriden. The sensible thing is either to take care of these emergencies or marginal cases and then soberly determine future action, or alternatively—
>
> And mark these two alternatives—
>
> to make the beginnings of sound action now on such foundations as will contribute to the ultimate settlement of the problem with real justice to veterans and with generosity in solution for the future. Such action can be taken within our present financial resources, and I believe the Nation would support that.

Mr. President, that is the end of the statement, and to my mind the last paragraph of the statement means either that we should drop all legislation, sit back, and let the veterans die off, and have a commission appointed to come to some conclusion within the next two or three years, or else that we should pass the legislation which is to be presented in the House, which no one has had time to study, but which is alleged to be sound.

Mr. President, I know very little about the decision which was made by Members of the other House. I had hoped, when I read about it, that it might have been founded on principles of decency and justice and that the 154 Members who met in caucus might really have felt that the President's arguments were overwhelming, that the bill we passed was discriminatory and unfair, and that they would prefer to pass a better one. But from all the information I can get, the considerations which were brought up before that caucus were entirely different from these.

Mr. Frank R. Kent, a very authoritative newspaper man, says in the Baltimore Sun that when the caucus met the Speaker of the House started out "with the trenchant suggestion that 'there are more taxpayers than soldiers.'"

Mr. President, that is a very interesting point of view. Of course there are more taxpayers than soldiers. There are more men who in 1917 were slackers, or evaders of their duty, or too old or too young or physically too unfit to go into the service, who are alive to-day, than there are men who went into the service. That is undoubtedly true. Therefore, the argument is, let the candidate for reelection to Congress go before his people and say, "I do not care for the votes of the soldiers. I should like the votes of the rest of the community. I do not care for the votes of those who were drafted, compelled to go into the service, taken away from their homes, sent to fight the battles of this Nation, who have come back broken, unable to carry on and earn their livelihood, dying at the rate of 70 a day. Their votes are not worth very much to me. By the time election day comes around there will be a good many thousand of them out of the way."

Yet they charge those of us who support this bill with playing politics—playing politics, mind you, for the benefit of men who, for the most part, are almost unable to take care of themselves

in any way; playing politics against the great interests which were fighting soldier legislation and have been fighting it ever since the war ended.

Is it the taxpayers, after all, who object to soldier legislation? I do not think so. I have never heard any objection from a representative body of taxpayers against the kind of legislation which Congress has enacted in favor of the disabled. There was a fight made by certain bodies of taxpayers against the adjusted compensation bill, the so-called bonus, but the very men who made that fight adopted the slogan "For the disabled, everything; for the able-bodied, nothing." The minute the bonus bill was passed, those organizations vanished into the soil, and nothing was done by them for the disabled or for anyone else except for their own pocketbooks.

The people of the United States want the maximum of benefit given to the disabled veterans, and their wishes have been carried out substantially by Congress. What has blocked us in those endeavors?

I have followed the activities of the Veterans' Bureau since it was founded. I was one of the members of the American Legion gathered here when the first idea of the Veterans' Bureau was suggested to Congress. It was an admirable idea, and, of course, the institution has done a good deal of good. The trouble with it is not a trouble peculiar to the Veterans' Bureau. It is a trouble common to all bureaucracies. I do not suppose that in the history of the world there has ever been a bureau quite so large and quite so autocratic as the Veterans' Bureau. One does not need to enlarge on that. The regulations of a bureau soon take authority; they become more potent than the legislation passed by Congress. The petty clerk who rules on a particular case makes a precedent, and that precedent has to be carried out by all his fellows and by the bureau as an organization.

We leave the final decision, in a case of a veteran demanding compensation, to "the judgment of the director of the bureau." His judgment is final, and his judgment means, of course, the judgment of whatever petty clerk may have handled the particular case.

The Government, as is quite right, follows a policy of economy. All down the line in the Veterans' Bureau the word goes out that for every dollar or every penny which can be saved to the taxpayers, there will be a good mark in favor of the man who did the saving.

We all believe in economy, but I do not think that the taxpayers of the country believe in economy at the expense of the disabled veterans. If there were economy in cutting down the clerical force of the bureau, most of us probably would be in favor of it.

Our legislation from the start has decreed that the bureau in any doubtful case shall give a veteran the benefit of the doubt. In how many cases has that happened? I doubt whether it happens in 5 per cent. I think that would be a conservative estimate.

Take the case of tuberculosis, and it is the situation respecting those suffering from tuberculosis that has been particularly pressed against the merits of the bill which we passed the other day. I happen to come from a State into which tubercular victims are sent from all parts of the United States, some of them hopeless cases, some of them hopeful, many of them curable, many of them which could readily be cured if the Government adopted a policy which would help them. What the tubercular patient mainly needs is a sense of certainty. He wants to know that the compensation he is receiving will not be suddenly cut off.

The policy with regard to the tubercular veteran has been that he is summoned to the local office of the Veterans' Bureau every few months and reexamined. His compensation may be raised, but three times out of four it is cut down. He never has any moments of peace, in which he can simply lie quiet and get well. That practice has been fostered by the word "active" applied to tuberculosis, which the bureau has constantly misinterpreted, and which we were successful in cutting out of the bill the other day.

Take the case of a man whose tuberculosis has become arrested. If he has really had tuberculosis seriously, he can never do a full day's work in the future. Congress, taking that into consideration, gave such a veteran a permanent award of $50 a month, meaning that that should be permanent. Yet, as I said the other day, veterans in my State who had been granted that statutory award later had it rescinded because the bureau was not satisfied that they had ever had active tuberculosis. The tuberculosis might have been chronic, or minimal, or describable by any of half a dozen other technical terms which the bureau uses when they want to knock a case out.

I am glad to say that at the demand of my colleague it was determined the other day that all such awards should be permanent.

I am not going into the neuropsychiatric cases, which are equally pitiful or perhaps more so. I know particularly what the tubercular veterans are suffering. I have seen them at the veterans' hospitals time and time again, speechless, motionless, always cheerful, resigned to their inevitable doom. Many of them, a large majority of them, now are unable to obtain compensation, although no fair-minded man doubts for a moment that their disease was due to their service. I have never seen anything in war or elsewhere which gives one so high an opinion of human nature as the courage with which these men to-day are facing their fate.

The Director of the Veterans' Bureau has the final say as to whether they get enough to keep themselves satisfied, enough to enable them to send their wives and children something to keep them alive. He has the final say as to whether they themselves shall or shall not remain alive.

It is the power of life and death. We have given it to one man without appeal. It is just as if we enacted a law that anyone accused of crime should be considered guilty unless in the judgment of the prosecuting attorney he is innocent, because the Director of the Bureau and all of his subordinates have been acting as attorneys against the interests of the disabled men from the start. I do not say that in criticism of General Hines or of anyone else. It is the inevitable result of this huge bureaucratic system with precedents piling up on each other from day to day, each one binding the next one until the actual Director of the Veterans' Bureau has as little authority as any man in the bureau.

The system can be changed only by congressional legislation and that is what we attempted to do the other day in the bill, to cut down the discretion of the bureau as much as we could, to force them to do the right thing by the veterans. It is the only way in the world the veterans will ever get justice.

Mr. President, I have resented the way in which the press and the public of the country have been misled as to the actual conditions which exists, by being informed that the disabled veterans on the whole have been generously provided for. Some of them have and many of them have not.

Do we owe any duty to these men who are dying off? There are men still in the Senate who voted to send them into war. Is it not the responsibility of Congress to see that those glowing promises which were made to our men when they went into service shall be kept now? Did anyone at that time go before the people and say, "If you as a result of your service get active tuberculosis, we will take good care of you, but if you get chronic tuberculosis or moderately impaired tissues," or any of the other expressions which are now used, "We can not take care of you, for such a thing would be unsound"? That was not the way we talked then. So far as I am concerned it is not the way I intend to talk now.

Mr. President, this is a message in which the evasion of facts and the sophistry of bureau employees have been given, unfortunately, the powerful sounding board of the White House. When we are asked not to take a "plunge," I think we might leave that question to Mr. Hoover's own past history. When Belgium was being overrun by German troops, when the population was starving and thrown out of house and home, did Mr. Hoover "study the broader subject exhaustively" before plunging? He did not. He went straight to the office of Walter Page and said, "If you can use me, do so. I am ready to organize the relief." The day he did that he made himself, for the time, the greatest citizen of the world. When, after the war, the children of our allies and the children of our enemies alike were suffering, Mr. Hoover did not wait to make a broad, exhaustive study of the subject before acting, because such a study would have taken two or three years. He proceeded to organize and relieve distress.

Our duty to the men who served us in time of war is surely as great as the duty which we owed either to Belgium or to foreign relief. It is our responsibility. Mr. Hoover, in good faith, I am sure, is unaware of the facts in this matter, but he should not ask us to refrain from action until we have discussed the subject more exhaustively.

If this session goes by, Mr. President, without action, before we meet in December, 10,000 of these men whom we could save by immediate action will be dead. I can only say that upon the President and upon any Members of the House who vote to sustain his veto will rest the responsibility for the lives of these innocent men who gave all that they had in order that the Nation might be preserved.

GOVERNMENT POWER PLANT AT WILSON DAM

The VICE PRESIDENT. The question is on agreeing to the resolution submitted by the Senator from Alabama [Mr. BLACK].

Mr. BLACK. Mr. President, I ask that the resolution be read.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 303), as follows:

Resolved, That it is the sense of the Senate that pending the enactment of legislation providing for the disposition of power generated by the Government power plant at Wilson Dam, the Secretary of War should not discriminate against municipalities, in the sale of said power, but should sell power to municipalities applying for same, upon as liberal terms and conditions as such power is sold to private power companies.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. NORRIS. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MOSES (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. In his absence I withhold my vote.

Mr. REED (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. In his absence I withhold my vote.

Mr. STEPHENS (when his name was called). I am paired with the senior Senator from Vermont [Mr. GREENE]. I transfer that pair to the Senator from Missouri [Mr. HAWES] and vote "yea."

The roll call was concluded.

Mr. LA FOLLETTE. I desire to announce the unavoidable absence of the Senators from North Dakota [Mr. FRAZIER and Mr. NYE]. If present, both would vote "yea."

Mr. GILLETT. Has the senior Senator from North Carolina [Mr. SIMMONS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. GILLETT. Having a pair with that Senator, in his absence I withhold my vote.

Mr. CARAWAY. I have a general pair with the junior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the senior Senator from Florida [Mr. FLETCHER] and vote "yea."

Mr. NORRIS. I desire to announce the absence of the junior Senator from Iowa [Mr. BROOKHART] and to state that if he were present he would vote "yea."

Mr. McKELLAR (after having voted in the affirmative). May I inquire if the junior Senator from Delaware [Mr. TOWNSEND] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. McKELLAR. I have already voted in the affirmative. I transfer the pair which I have with the junior Senator from Delaware to the senior Senator from New York [Mr. COPELAND] and let my vote stand.

Mr. GEORGE. I desire to announce that the senior Senator from New Mexico [Mr. BRATTON] has a pair with the junior Senator from New Jersey [Mr. BAIRD]. If the senior Senator from New Mexico were present on this occasion, he would vote "yea."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Indiana [Mr. WATSON] with the Senator from South Carolina [Mr. SMITH];

The Senator from West Virginia [Mr. GOFF] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Maine [Mr. GOULD] with the Senator from South Carolina [Mr. BLEASE];

The Senator from Colorado [Mr. WATERMAN] with the Senato from Montana [Mr. WHEELER]; and

The Senator from Utah [Mr. SMOOT] with the Senator from Mississippi [Mr. HARRISON].

I am not advised how any of these Senators would vote if present.

Mr. BLACK. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is necessarily out of the city to-day. If present, he would vote "yea."

Mr. SHEPPARD. The senior Senator from Florida [Mr. FLETCHER], the senior Senator from South Carolina [Mr. SMITH], the junior Senator from Utah [Mr. KING], and the senior Senator from Missouri [Mr. HAWES] are detained from the Senate by illness.

The junior Senator from South Carolina [Mr. BLEASE] and the senior Senator from New Mexico [Mr. BRATTON] are detained by illness in their families.

I also wish to announce that the Senator from Mississippi [Mr. HARRISON], the Senator from North Carolina [Mr. SIMMONS], the Senator from Nevada [Mr. PITTMAN], and the Senator from Louisiana [Mr. BROUSSARD] are necessarily detained on official business.

The result was announced—yeas 53, nays 0, as follows:

YEAS—53

Ashurst	Glass	McNary	Steiwer
Barkley	Goldsborough	Metcalf	Stephens
Bingham	Hale	Norris	Sullivan
Black	Harris	Oddie	Swanson
Blaine	Hastings	Overman	Thomas, Idaho
Borah	Hayden	Patterson	Thomas, Okla.
Brock	Howell	Phipps	Trammell
Caraway	Johnson	Ransdell	Tydings
Connally	Jones	Robinson, Ind.	Wagner
Couzens	Kendrick	Robsion, Ky.	Walsh, Mass.
Cutting	La Follette	Sheppard	Walsh, Mont.
Dill	McCulloch	Shipstead	
Fess	McKellar	Shortridge	
George	McMaster	Steck	

NOT VOTING—43

Allen	Frazier	Heflin	Schall
Baird	Gillett	Kean	Simmons
Blease	Glenn	Keyes	Smith
Bratton	Goff	King	Smoot
Brookhart	Gould	Moses	Townsend
Broussard	Greene	Norbeck	Vandenberg
Capper	Grundy	Nye	Walcott
Copeland	Harrison	Pine	Waterman
Dale	Hatfield	Pittman	Watson
Deneen	Hawes	Reed	Wheeler
Fletcher	Hebert	Robinson, Ark.	

So Mr. BLACK's resolution was agreed to.

ISSUANCE OF INJUNCTIONS IN LABOR DISPUTES

Mr. NORRIS. Mr. President, the so-called anti-injunction bill, S. 2497, Order of Business 884, which was reported adversely on June 9, with a minority report as well, probably will not be taken up, on account of the rush of business, during this session. I have talked over the matter with the Senator from Oregon [Mr. STEIWER], who represents the majority of the committee, and he has agreed with me that it will be agreeable to him if I can get a unanimous-consent agreement to set that bill down for early in December.

I therefore ask unanimous consent that at 2 o'clock p. m. on December 3, 1930—we meet on December 1—the Senate shall proceed to consider that bill, and that it shall remain the unfinished business until otherwise disposed of.

Mr. COUZENS. Mr. President, I should not like to consent to that until we know what the unfinished business will be when we get through the present session of Congress.

Mr. NORRIS. We shall not find that out until it is too late to make this request.

Mr. COUZENS. I do not want to interfere with the Senator's bill, but if the bus bill should go over, I should want it to be the unfinished business.

Mr. NORRIS. I had not anticipated that the bus bill would go over. I supposed we should dispose of it at this session.

Mr. COUZENS. If the Senator will wait a while to submit his unanimous-consent request, I think perhaps we can agree.

Mr. NORRIS. Very well, Mr. President.

THE LONDON NAVAL TREATY

Mr. McKELLAR. Mr. President, since the Foreign Relations Committee just a day or two ago reported favorably the London naval pact, I desire to call the attention of the Senate to an article printed in the New York World of to-day headed:

BRITAIN TO BUILD 21 NAVAL VESSELS—$45,000,000 PROGRAM OVER 3-YEAR PERIOD ANNOUNCED—COMMONS GETS FIGURES—SOME MEMBERS OPPOSE ACTION BEFORE TREATY RATIFICATION

LONDON, June 25.—First Lord of the Admiralty Albert Victor Alexander told the House of Commons this afternoon that the British naval construction program for 1930 will be three 6-inch-gun cruisers, one destroyer flotilla, comprising a destroyer leader and 8 destroyers, 3 submarines, 4 sloops, 1 net layer, and 1 target-towing vessel—a total of 21 ships to cost about $45,000,000 over a period of three years.

I ask unanimous consent that the remainder of the article may be printed without reading.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

The remainder of the article is as follows:

A supplementary estimate for the small sum necessary to begin construction will be introduced in the House before the summer adjournment in July, but construction will not begin until the last quarter of the present financial year.

Alexander said he wanted to emphasize that these ships are required for replacing others which have passed the age limit "to enable the royal navy to carry out its current duties in time of peace, and the program had no relation to those of other powers."

One of the three submarines, it is understood, is to be of the big-fleet type. When debate on the supplementary estimates takes place, the World is informed, the Government will be criticized by certain Labor members for undertaking any new building in advance of ratification of

the London naval treaty by the powers concerned and before it is seen whether the American Congress is going to appropriate enough money to build the United States fleet up to treaty strength during the life of the treaty.

One Labor critic of this afternoon's announcement told the World he believed the British Admiralty has forced this program on the Government at this time for fear that later it might become evident that the United States did not intend to build up the treaty strength, in which event the admiralty would have greater difficulty in persuading the Government to agree to this building.

Alexander, in an authorized interview to be published to-morrow, defends the British program as nonprovocative, declaring that no additional units will go into the British fleet as a result of the construction announced to-day. The program, he said, is purely one of replacement.

Mr. McKELLAR. I merely desire to add that it will be remembered that Great Britain now has 54 cruisers to the United States' 13. By this bill Great Britain adds 3 more. It does not look as though there is very much limitation or reduction in the proposed London pact.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 525. An act authorizing the Secretary of the Navy, in his discretion, to loan to the Louisiana State Museum, of the city of New Orleans, La., the silver service in use on the cruiser *New Orleans;*

S. 1959. An act to authorize the creation of game sanctuaries or refuges within the Ocala National Forest in the State of Florida;

S. 4164. An act authorizing the repayment of rents and royalties in excess of requirements made under leases executed in accordance with the general leasing act of February 25, 1920; and

S. J. Res. 24. Joint resolution for the payment of certain employees of the United States Government in the District of Columbia and employees of the District of Columbia for March 4, 1929.

EXECUTIVE MESSAGES AND APPROVALS

Messages in writing were communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On June 24, 1930:

S. 2465. An act for the relief of C. A. Chitwood;

S. 2834. An act to establish a hydrographic office at Honolulu, Territory of Hawaii;

S. 3258. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; and

S. 3341. An act providing for the acquirement of additional lands for the naval air station at Seattle, Wash.

On June 25, 1930:

S. 486. An act to amend section 5153 of the Revised Statutes, as amended;

S. 1183. An act to authorize the conveyance of certain land in the Hot Springs National Park, Ark., to the P. F. Connelly Paving Co.;

S. 2718. An act for the relief of Stephen W. Douglass, chief pharmacist, United States Navy, retired;

S. 2788. An act for the relief of A. R. Johnston;

S. 4466. An act to make a correction in an act of Congress approved February 28, 1929; and

S. 4722. An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.

UNIT OPERATION OF OIL AND GAS LEASES

Mr. WALSH of Montana. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (S. 4657) to amend sections 17 and 27 of the general leasing act of February 25, 1929 (41 Stat. 437), as amended.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent for the present consideration of the bill named by him. Is there objection?

Mr. WALSH of Montana. Mr. President, I desire to state that this bill was introduced and comes before the Senate at the very earnest insistence of the Secretary of the Interior and the Director of the Geological Survey, who have advised the Committee on Public Lands and Surveys that the Government of the United States is suffering a loss of $500 a day because of the lack of legislation of the character proposed in the bill. When the measure was reached yesterday on the calendar it was objected to by the Senator from Georgia [Mr. GEORGE], at the request of the Senator from New Mexico [Mr. BRATTON], who expressed some opposition to the bill in the committee.

If it is in order, should there be objection I desire to move that the Senate proceed to the consideration of the measure.

Mr. GEORGE. Inasmuch as the Senator from New Mexico asked me to lodge the objection in his name, I should prefer that the Senator from Montana make a motion to consider the bill, because otherwise I should feel disposed to object. Of course, the Senator from Montana will understand that I know nothing of the proposed legislation and personally am not opposing it at all.

Mr. WALSH of Montana. I understand the position of the Senator from Georgia, and I move that the Senate proceed to the consideration of the bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana to proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment was, on page 1, line 6, in the parentheses, to insert "U. S. C., title 30, sec. 226," so as to read:

That sections 17 and 27 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, sec. 226), as amended, are amended to read as follows:

The amendment was agreed to.

The next amendment was, on page 5, line 6, after the word "further," to strike out:

That if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings: *And provided further,* That, for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. For the purpose of assuring the continuous protection of the interests of the public and of the United States the terms and operation of any such plan shall at all times be subject to the approval of the Secretary of the Interior, who is thereunto authorized in his absolute and uncontrolled discretion to establish, alter, change, or revoke drilling, producing, and royalty requirements, and otherwise to make such regulations in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of such interests; and if the Secretary of the Interior at any time shall have reason to believe that the continued operation of any such cooperative or unit plan is for any reason prejudicial to the interests of the public or of the United States he is hereby authorized to revoke such plan in whole or in part, or to permit its continued operation upon such altered terms and conditions as he may in his absolute and uncontrolled discretion deem advisable.

And in lieu thereof to insert:

That for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and the Secretary of the Interior is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, and royalty requirements of such leases, and to make such regulations with reference to such leases with like consent on the part of the lessee or lessees in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of such public interest: *And provided further,* That except as herein provided,

if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the minimum or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 8, after line 6, to insert a new section, as follows:

SEC. 2. The amendments herein adopted to sections 17 and 27 of the general leasing act of February 25, 1920, as amended, shall expire at midnight on the 31st day of January, 1931.

Mr. WALSH of Montana. Mr. President, the last amendment read was made because it was realized that this proposed legislation involves an important matter, and that the necessities of the case require expedition. The amendments proposed by the bill to the leasing act will expire on the 31st day of January, 1931. In the meantime it is hoped that the matter will have received serious consideration at the hands of Congress.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from California?

Mr. WALSH of Montana. I yield.

Mr. SHORTRIDGE. If he can do so, will the Senator from Montana, merely in a few words, explain the purposes of the bill. I think I understand it, but there are other Senators who do not.

Mr. GEORGE. Before the Senator begins, I ask him also to state to the Senate the ground of the objection urged by the Senator from New Mexico [Mr. BRATTON].

Mr. WALSH of Montana. I shall be glad to do so.

Mr. President, the bill contemplates that parties having interests in a particular oil field may unite all of their interests and operate them as a unit, cooperatively, instead of each one operating his own individual property. The present method of operation is this: Here is a field within which there are private owners, oftentimes some of them being great and powerful corporations. The Government owns property within that oil field which it has leased. The lessee, then, is obliged to come into competition with the powerful interests that have the other properties. The way they operate is to proceed to drill wells right close to the line, and the owner of the lease is obliged to meet this action by drilling offset wells. He usually is unable to do that, and the large interests buy him out at a trifling figure. The plan now proposed is to allow them all to combine their leases and operate jointly.

It has particular application to the immediate necessities of and to meet the situation that exists in what is known as the Kettleman Hill fields in the State of California. That is a marvelously productive field. The Government of the United States is now earning royalties from two leases in that field to the amount of about $3,000 a day. The oil comes out, and with it there is enormous gas pressure. The gas, as it comes out, is captured and the gasoline is extracted; but after the gasoline is extracted, for the remainder of the gas, which is very valuable for many purposes, there is no market and it simply goes off into the air, a total loss to the Government of the United States.

There are six wells now that are producing enormous quantities of gas and oil in the Kettleman Hill fields. It is proposed to reduce the number of productive wells, if the joint arrangement can be made, to two instead of six, and thus the oil will be produced in less quantities and the gas as well only in such quantity as can be consumed by the local market.

I had some doubt as to how the legislation would be received by operators in my State, and so I sent a telegram to the governor asking him to confer with operators concerning the matter. I have a telegram from him to the effect that they favor the legislation, and from one of the leading operators in my State I have a telegram which I send to the desk and ask to have read. I may say, however, that the proposed legislation has no special application to conditions in Montana.

The VICE PRESIDENT. Without objection, the Secretary will read, as requested.

The Chief Clerk read as follows:

DENVER, COLO., *June 25, 1930.*

Senator THOMAS J. WALSH,

Senate Office Building, Washington, D. C.:

Legislation permitting Secretary of Interior and lessees to enter into contracts for unit operations for life of single pools desirable, especially so for purpose of preventing waste of valuable natural resource like that being lost at Kettleman Hills. Nothing can justify such operations as those now being carried on there. An occasional small producer may need oil production to satisfy clamorous stockholders or to finance indebtedness, but no doubt sensible business arrangements can be made to assist small operators, providing legislation will give the Secretary reasonable powers.

W. M. FULTON.

Mr. WALSH of Montana. It should be explained that no one will be obliged to come in; there will be no coercion; the bill merely authorizes agreements among the operators and gives to the Secretary of the Interior the power to enter into such agreements on the part of the United States. I submit a telegram from the Governor of Montana, and ask that it may be read from the desk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

HELENA, MONT., *June 23, 1930.*

Hon. T. J. WALSH,

United States Senate, Washington, D. C.:

The measure about which you wired seems to have the approval of Fulton and others. I believe Fulton has wired you.

J. E. ERICKSON.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from California?

Mr. WALSH of Montana. If the Senator will pardon me for a moment, I should like now to say a word in answer to the inquiry of the Senator from Georgia [Mr. GEORGE] concerning the nature of the objection to the measure offered by the Senator from New Mexico [Mr. BRATTON].

The objection raised by him, of course, is in entire good faith, and relates to a very important question in this connection. Of course, the effect of the operation of the plan will be to reduce the production in any one field; that is to say, competition will not be going on to the limit. That is the purpose of it, namely, to get an orderly production in the interest of the conservation of the resources of the particular field.

The Senator from New Mexico has some apprehension that if the great, powerful interests, which ordinarily own some properties in the field, and the Government were desirous of entering into this arrangement, a small holder would in a way be overpowered by the combination of the Government and the large interests and would not be in a situation to resist a proposal to enter into the agreement. Of course, if the unit arrangement is made, the proportion which each owner or each interest gets out of the total production of the field must be agreed upon, and the Senator from New Mexico was afraid that the pressure upon the small owner would be so great that he would be obliged to take whatever they were willing to give him. There is something in that contention, but, of course, he has an opportunity to go in or to stay out just as he sees fit. If he is not satisfied with the division they will give to him, he simply does not enter into the agreement.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from California?

Mr. WALSH of Montana. I yield.

Mr. SHORTRIDGE. I understood the Senator to state, but I want it understood if it be so—and I think it is—that the Secretary of the Interior is heartily in favor of this proposed legislation.

Mr. WALSH of Montana. Yes; he is urging it.

Mr. SHORTRIDGE. So I have been advised, and I certainly am in favor of it.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend sections 17 and 27 of the general leasing act of February 25, 1920 (41 Stat. 437; U. S. C., title 30, sec. 226), as amended."

Mr. WALSH of Montana. I ask that the report accompanying the bill may be printed in the RECORD.

There being no objection, the report (No. 1087) was ordered to be printed in the RECORD, as follows:

The Committee on Public Lands and Surveys, to whom was referred the bill (S. 4657) to amend sections 17 and 27 of the general leasing act of February 25, 1920 (41 Stat. 437), as amended, having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendments:

On page 1, line 6, after "437," insert a semicolon and "U. S. C., title 30, sec. 226."

On page 5, line 6, after the words *"And provided further"* and the comma, strike out the word "That" and all down to and including the word "advisable" before the period in line 22, page 6, and insert in lieu thereof the following:

"That for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest, and the Secretary of the Interior is thereunto authorized in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, and royalty requirements of such leases, and to make such regulations with reference to such leases with like consent on the part of the lessee or lessees in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of such public interest: *And provided further*, That, except as herein provided, if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings."

Add at the end of the bill a new section, as follows:

"SEC. 2. The amendments herein adopted to sections 17 and 27 of the general leasing act of February 25, 1920, as amended, shall expire at midnight of the 31st day of January, 1931."

Amend the title so as to read:

"A bill to amend sections 17 and 27 of the general leasing act of February 25, 1920 (41 Stat. 437; U. S. C., title 30, sec. 226), as amended."

This legislation was requested by the Secretary of the Interior and is essential for meeting an emergency. The Government is a large owner in the Kettleman Hills oil and gas field in California, where the present waste of natural gas reaches the daily total of 400,000,000 feet, even under a temporary agreement which limits the number of active wells. A cooperative plan for meeting this waste problem more effectively is now being formulated by a representative committee of operators, but the lessees of the Government land can not enter such a plan without amendment of the general leasing law. Without participation by these Government lessees, occupying 30 per cent of the area of this very rich field, no cooperative plan can be operative.

The proposed amendments would permit such participation but in nowise compel it. No change would be made in any Government leases, past or future, from the terms of the general leasing law, except as lessees in a single pool may wish to come under a cooperative plan, duly approved by the Secretary of the Interior as in the public interest. Flexibility in the law is provided in order to meet new conditions, but no new provision or condition is mandatory upon Government lessees.

The need of economic regulation of oil and gas field activity is now well recognized as imperative and the Federal Oil Conservation Board has recently, in its report to the President, indorsed the unit-operation plan as the most promising method of effectively promoting conservation and economy for the benefit of all parties in interest, private owners and lessees, Government owner and lessees, and the general public now so dependent upon products of the oil and gas fields of the country.

The unit-operation plan is cooperative and not competitive and the drilling and operating program disregards all property lines within the pool, seeking economy in expenditures and large recovery of resource rather than the usual haste and consequent waste. Necessarily, a longer life of the field being thus promoted, it is essential that the Government lessees have the assurance of a tenure beyond 20 years; hence the amendment to section 17 is absolutely necessary.

Discretionary power is also needed by the Secretary of the Interior in adjusting certain operating requirements of existing law to meet the new conditions of substituting an engineering program of rational well distribution for the present competitive offsetting, which is unduly expensive, but worse than that, almost criminally wasteful. The net result of this more rational plan is expected to be larger profits to the Government lessees and larger royalty returns to the Government as lessor.

The first and second provisos under section 27 of the act already establish a precedent for combination of interests for cooperative action in constructing and operating refineries and transportation facilities, so that the insertion immediately thereafter of the proposed amendment to this section would seem more logical and especially advantageous in making it plain that the new plan is similarly subject to the restraint-of-trade prohibition contained in the final proviso of this section of the existing law.

While the unit plan is in force in several States on privately owned land and there has proved eminently successful, in no field is it more urgently needed or are greater benefits reasonably to be expected than at Kettleman Hills, which is regarded as one of the world's greatest oil and gas fields. The Government's interest here is already measured by the present royalties exceeding $1,000 a day, from the two wells on Government land, six wells only being allowed to produce under existing conditions. Last year, the Government royalties from this field were $237,909. If all the gas from these Government wells could be sold, instead of by far the greater part wasted into the air, the daily revenue to the Government would be $500 more than at present. This committee is informed that the ultimate returns to the Government from these Kettleman Hills leases under rational development and operation without waste are conservatively estimated at hundreds of millions of dollars. Even more deserving of national concern is the enormous waste of natural gas which must hasten the day of shortage, however large the reserve.

Plainly, the wise administration of this Government property is a major item in the conservation policy, and it is to meet the existing situation in the Kettleman Hills field that the Public Lands Committee regards immediate action on these two amendments as warranted.

It is believed that ample provision has been made to protect the public interest, but to permit further consideration of this innovation in public-land legislation it is provided that the act expires two months after the convening of the next session of Congress, thus giving time for reconsideration of the measure. In the meantime, however, prompt action by the Secretary of the Interior may be required to meet the needs of the Kettleman Hills situation, and these amendments would give him the necessary discretionary power.

The letter in which the Secretary of the Interior inclosed a draft of the bill for introduction, under date of June 5, 1930, which letter also sets forth facts concerning the proposed legislation, is appended hereto and made a part of this report, as follows:

DEPARTMENT OF THE INTERIOR,
Washington, June 5, 1930.

Hon. GERALD P. NYE,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR SENATOR NYE: The present importance of preventing the physical and economic waste resulting from competitive, unregulated activity in oil and gas fields is generally recognized, and it has been suggested to me in connection with several unit and cooperative plans submitted that the policy of orderly development can be substantially served and the interests of the United States fully protected by the enactment of appropriate legislation authorizing the Secretary of the Interior, with suitable safeguards, formally to approve such plans and make essential modifications of customary lease terms.

Aside from the general good to be obtained, development and operation of oil fields under such plans will result in lower costs to the producer, greater ultimate recovery of oil and gas, larger royalty returns to the Government through the increased recovery of oil and gas, and most important, will tend to the avoidance of waste in times of overproduction now constantly occurring from so-called checker-board, town-lot, or property-line drilling.

In order to clothe the Secretary of the Interior with the necessary legislative authority, it is suggested that section 17 of the act of February 25, 1920 (41 Stat. 437), be amended to read as follows, the matter in italics being the proposed addition to the section in its present form:

"SEC. 17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in areas not exceeding 640 acres and in tracts which shall not exceed in length two and one-half times their width, such leases to be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12½ per cent in amount or value of the

production, and the payment in advance of a rental of not less than $1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year. Leases shall be for a period of 20 years, with the preferential right in the lessee to renew the same for successive periods of 10 years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the time of the expiration of such periods: *Provided, That any lease heretofore or hereafter issued under this act that has become the subject of a cooperative or unit plan of development or operation of a single oil or gas pool, which plan has the approval of the Secretary of the Interior as necessary or convenient in the public interest, shall continue in force beyond said period of 20 years until the termination of such plan: And provided further, That the Secretary of the Interior shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.* Whenever the average daily production of any oil well shall not exceed 10 barrels per day, the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the wells can not be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases made under this act."

And in pursuance of the stated purpose it is further suggested that section 27, as amended April 30, 1926 (44 Stat. 373), of the same law be amended to read as follows, the matter in italics being the proposed addition to the section in its present form:

"That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases or permits in any one State exceeding in aggregate acreage 2,560 acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding in the aggregate 7,680 acres granted hereunder in any one State, and not more than 2,560 acres within the geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this act. Any interests held in violation of this act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property or some part thereof is located, except that any ownership or interest forbidden in this act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided,* That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this act: *Provided further,* That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further,* That if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings: *And provided further, That for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. For the purpose of assuring the continuous protection of the interests of the public and of the United States the terms and operation of any such plan shall at all times be subject to the approval of the Secretary of the Interior, who is thereunto authorized in his absolute and uncontrolled discretion to establish, alter, change, or revoke drilling, producing, and royalty requirements, and otherwise, to make such regulations in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to assure the proper protection of such interests; and if the Secretary of the Interior at any time shall have reason to believe that the continued operation of any such cooperative or unit plan is for any reason prejudicial to the interests of the public or of the United States he is hereby authorized to revoke such plan in whole or in part, or to permit its continued operation upon such altered terms and conditions as he may in his absolute and uncontrolled discretion deem advisable."*

The suggested modification for section 17 is purely ministerial in character, and the proposed addition to section 27 has received informal favorable consideration by the Department of Justice.

The authority reposed in the Secretary of the Interior and to be exercised in his sound discretion if these suggested provisos are enacted will be a most influential step for the common good.

Very truly yours,

RAY LYMAN WILBUR.

SECOND DEFICIENCY APPROPRIATIONS

Several Senators addressed the Chair.

The VICE PRESIDENT. The Chair feels that it is his duty to call attention to the unanimous-consent agreement that was substantially entered into last night. The Senator from Arizona [Mr. ASHURST] yielded the floor with the understanding that immediately upon the conclusion of the morning business, which is now closed and was closed before the last bill was presented, he should be recognized for 5 or 10 minutes. Of course, under the rule, any Senator can move to take up a measure until 1 o'clock. But the Chair thought it was only fair to the Senator from Arizona to make that statement.

Mr. ASHURST. I thank the Chair.

Mr. HOWELL. Mr. President, I move that the Senate take up Order of Business 747, Senate 3344, a bill supplementing the national prohibition act for the District of Columbia.

The VICE PRESIDENT. The attention of the Chair has just been called to another agreement to which the Chair had not previously had his attention called, and that is that under the unanimous-consent agreement the unfinished business is to be laid before the Senate; and therefore the motion of the Senator from Nebraska would not be in order at this time.

The Chair lays before the Senate the unfinished business, H. R. 12902, the second deficiency bill.

Mr. HOWELL. Mr. President, was the motion of the Senator from Montana [Mr. WALSH] in order?

The VICE PRESIDENT. The motion was not in order; but the Chair was advised that the matter would take but a minute and that the chairman of the committee and the Senator from Arizona had consented; and the Chair at that time did not know of this unanimous-consent agreement which had been entered into or the Chair would have called the attention of the Senate to it.

Mr. HOWELL. Mr. President, the bill which I have moved to take up is a very important measure. It is a bill that practically has the administration's support. It is legislation that ought to be adopted for the District of Columbia. No time has been given for its consideration; and it seems to me that it is as important at this time as the Boulder Dam item, because it affects the population here within the District of Columbia.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be proceeded with.

The Senate resumed the consideration of the bill (H. R. 12902) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes.

Mr. TYDINGS. Mr. President, I should like to inquire, under the present agreement, when it would be in order, if at all, for the Senator from Nebraska to move to consider his bill.

The VICE PRESIDENT. The Senator can make such a motion now; but, if agreed to, it would displace the unfinished business, which is the deficiency bill.

Mr. HOWELL. Mr. President, I have no desire to displace the deficiency bill; but I do want to call the attention of the Senate to the fact that here is an important bill that ought to have an opportunity for consideration. We have a bus bill pending before the Senate. The bus business in this country has developed in a wonderful manner. Nothing is preventing its development, but there are those in this country who want to monopolize the bus business; and it seems to me that this prohibition bill, which has been pending here for some weeks, ought to have some consideration, also.

Mr. TYDINGS. Mr. President, I appreciate the interest and time that the Senator has put upon this District bill. May I call to his attention the fact that some of us who are opposed to it feel just as keenly that it should not be passed, and I certainly should want to be heard on it if it is to be considered; and I am sure the debate would last for three or four hours, at the very least. So the Senator in making the motion, and the Senate in voting upon the motion, should have that situation in mind, because it will not be possible to dispose of the bill in less than a day, in my opinion, and perhaps not then.

Mr. HOWELL. I realize that there is opposition to the bill; but are we not to consider it because there is opposition to it?

The VICE PRESIDENT. The Chair will state that when the Senate meets after the next adjournment the Senator would have a right to move to take up the bill, unless some unanimous-consent agreement should be entered into which would interfere with it.

Mr. HOWELL. Mr. President, I am not going to move at this time to take up the bill, but I give notice that I do propose to ask to have the bill considered before Congress adjourns.

Mr. TYDINGS. Mr. President, I should like to ask the Senator from Nebraska if he will be so kind as to notify me when he intends to make that motion, if convenient. I should like to be here at the time the motion is made, and I hope he will not take advantage of my temporary absence at any time to bring it up.

Mr. HOWELL. Mr. President, I want to be fair to the Senator from Maryland and say that I am going to make the motion at the first opportunity; and I am not going to make it because the Senator is away.

Mr. TYDINGS. I am sure the Senator from Nebraska will be fair, and I had no intention of saying by indirection that he would not be; but it is pretty difficult to remain on the floor all the time. Such a course would really require a Senator to be present every minute. He could not eat his lunch or do anything else. If the Senator will simply indicate a little in advance when he intends to make the motion, I shall make it a point to be here at his convenience.

Mr. ASHURST. Mr. President, when the Senate concluded its business yesterday I had finished my argument respecting the item in the deficiency bill regarding the so-called Boulder Dam. During the course of my argument I asked unanimous consent to have printed in the RECORD and as a Senate document the entire hearings before the subcommittee of the House Committee on Appropriations respecting the Boulder Dam project. Several Senators indicated that inasmuch as the matter consisted of more than 300 pages it would make the RECORD too voluminous, and they objected.

After thinking the matter over, I am of opinion that I should not further pursue that request, inasmuch as there are, I discover, copies of the hearings available. Therefore, I withdraw my request to print in the RECORD and also withdraw my request to print as a Senate document the 300 pages of the House hearings on this item.

The VICE PRESIDENT. The Senator's request is withdrawn.

Mr. ASHURST. I now yield the floor to my colleague.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair will call the attention of the Senator from Washington [Mr. JONES] to the fact that there is an amendment passed over on page 7.

Mr. JONES. We made an agreement yesterday afternoon that the Boulder Dam matter, with the amendments to it, should be disposed of first. The Senate entered into that agreement.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The LEGISLATIVE CLERK. On page 44, strike out the section beginning in line 18 and ending on line 14, page 45.

On page 45, line 15, after the words "secondary projects," insert "for cooperative and general investigations, $1,000,000: *Provided*, That."

Mr. HAYDEN. Mr. President, the amendment I have offered contains two substantive propositions: First, to strike out of the bill the appropriation of $10,660,000 to commence construction of the Boulder Canyon project; second, to appropriate up to $1,000,000 to be used under the heading of secondary projects for all preliminary work connected with the Boulder Canyon Dam.

The hearings show that the design of that structure has not been completed. No plans and specifications are as yet in existence. Engineers are laboring upon that problem, and there is yet much work to do. The State of Arizona has no objection whatever to the ascertainment of facts in connection with the development of the Colorado River. At no time have the Congressman or the Senators from that State opposed the appropriation of money for that purpose. The estimates submitted to Congress in connection with this item of $10,660,000 show that $385,000 of it is to be used to reimburse the United States reclamation fund for moneys heretofore expended in connection with the Boulder Canyon project.

We agree that it would be unfair to strike out the entire appropriation and leave nothing for preliminary work.

The chief concern of the State of Arizona is that no appropriation shall be made to commence construction until there is an agreement between the States of Arizona, California, and Nevada with respect to an apportionment of the waters of the lower Colorado River Basin as authorized in the Boulder Canyon project act.

Such an apportionment of waters, if made in accordance with the clear intent of that act, would be satisfactory to Arizona. I shall insert in the RECORD the provisions of the act authorizing such an agreement or compact among the States. Briefly, it provides for a division of the seven and a half million acre-feet of water apportioned to the lower basin by the Colorado River compact, 4,400,000 to California, 2,800,000 to Arizona, and 300,000 to Nevada; for an equal division of the surplus waters; that the State of Arizona shall have the exclusive beneficial use of the waters of the Gila River and its tributaries, free from any burden to supply water to Mexico, and that California and Arizona shall equally divide the burden of supplying any water to Mexico.

[Extract from section 4 (a), Boulder Canyon project act]

And further, until the State of California, by act of its legislature, shall agree irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this act, that the aggregate annual consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California (including all uses under contracts made under the provisions of this act and all water necessary for the supply of any rights which may now exist) shall not exceed 4,400,000 acre-feet of the waters apportioned to the lower basin States by paragraph (a) of article 3 of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such uses always to be subject to the terms of said compact.

The States of Arizona, California, and Nevada are authorized to enter into an agreement which shall provide (1) that of the 7,500,000 acre-feet annually apportioned to the lower basin by paragraph (a) of article 3 of the Colorado River compact, there shall be apportioned to the State of Nevada 300,000 acre-feet and to the State of Arizona 2,800,000 acre-feet for exclusive beneficial consumptive use in perpetuity, and (2) that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River compact, and (3) that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State, and (4) that the waters of the Gila River and its tributaries, except return flow after the same enters the Colorado River, shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico but if, as provided in paragraph (c) of article 3 of the Colorado River compact, it shall become necessary to supply water to the United States of Mexico from waters over and above the quantities which are surplus as defined by said compact, then the State of California shall and will mutually agree with the State of Arizona to supply, out of the main stream of the Colorado River, one-half of any deficiency which must be supplied to Mexico by the lower basin, and (5) that the State of California shall and will further mutually agree with the States of Arizona and Nevada that none of said three States shall withhold water and none shall require the delivery of water, which can not reasonably be applied to domestic and agricultural uses, and (6) that all of the provisions of said tri-State agreement shall be subject in all particulars to the provisions of the Colorado River compact, and (7) said agreement to take effect upon the ratification of the Colorado River compact by Arizona, California, and Nevada.

This language, found in the Boulder Canyon project act, has an historic background. It was not adopted by the Senate until after long debate. The terms of the act are, as most Senators know, a compromise.

To give the background of this provision, I want to say to the Senate that a conference was held in the city of Denver in August, 1927, upon the invitation of the governors of the four States of the upper basin—Colorado, New Mexico, Wyoming, and Utah. They were aware of the controversy between Arizona and California with respect to a division of the waters of the Colorado River in the lower basin. They tendered their good

offices, as mediators, or friends, in order that a settlement might be brought about.

Arizona and California appeared there through their duly appointed commissioners. Arizona was asked what she wanted in the way of a division of the waters of the Colorado River in the lower basin. The reply of her commissioners was that Arizona desired to retain all the waters of the tributaries of the Colorado within the State of Arizona and to divide equally with California the waters of the main stream.

Upon inquiry being made of the Californians, their governor replied to the effect that Arizona should have all the waters of the tributaries of the Colorado within that State; that Nevada should have some 300,000 acre-feet of water, being all that that State had asked for, and both Arizona and California were readily willing to concede that amount.

Then the Governor of California submitted figures to show that the present perfected rights to the use of water in Arizona amounted to 233,000 acre-feet, whereas he claimed that California was then using 2,159,000 acre-feet. He suggested that those amounts of water be allotted to each State, and that the remainder of the water in the main stream be divided equally between the two States; that there should also be an equal division of the surplus waters flowing in the main stream.

The governors of the upper basin States took these proposals from the two States under consideration and made a finding which in part sustained the California contention. They said that it would be entirely improper to seek to divide water which had been placed to beneficial use under the doctrine of appropriation and to which title had thereby been acquired. Therefore they made inquiry as to what water was at that time being used in Arizona and in California. The four governors did not accept the California figures, made some changes in the claim of California; but made a finding, first, that Arizona should have all of the waters of her tributaries; that Nevada should have 300,000 acre-feet of water; that the remainder of the 7,500,000 acre-feet apportioned to the lower basin by the Colorado River compact should be divided—3,000,000 to Arizona and 4,200,000 to California.

The extra million acre-feet apportioned to the lower basin by the Colorado River compact were given to Arizona, to be supplied from the tributaries, the surplus water in the main stream to be divided equally between the two States.

That was the finding of the governors of the four upper-basin States at Denver. Arizona was represented at Denver by a commission consisting of four members of the legislature, the governor of the State, and three other gentlemen appointed by him. The majority of that commission accepted the agreement as proposed by the governors of the upper basin States. Arizona went on record at that time as being willing to accept the finding of these neighborly mediators. California refused to accept that division of water. The commissioners from that State stated that 4,200,000 acre-feet of water was not sufficient for her needs, that she must have 4,600,000 acre-feet of water. Therefore there was no agreement at Denver in 1927.

In December, 1928, the Senate took up for final consideration the Boulder Canyon project measure known as the Swing-Johnson bill. These facts which I have recited were presented to the Senate. It will be remembered that the senior Senator from New Mexico [Mr. BRATTON] suggested, inasmuch as there was a difference of only 400,000 acre-feet between Arizona and California, according to the record made at Denver, that the Senate split the difference and allow California 4,400,000 acre-feet of water and reduce Arizona from 3,000,000 to 2,800,000 acre-feet of water. The Senate adopted that suggestion.

The senior Senator from Arizona and myself discussed the Swing-Johnson bill at great length. We finally convinced the Senate that, so far as the principal tributary in Arizona, the Gila River, was concerned, Arizona should have the exclusive beneficial consumptive use of that stream for all time to come. The Senate adopted an amendment to that effect.

We were approached with reference to an agreement to limit debate, and we were asked whether, if the Senate could work out a fair and equitable division of the waters of the lower basin, we would cease our opposition to the bill. We stated that we would; that that was our principal objection to the enactment of the measure. A serious effort was made to work out a settlement along that line.

It was reported to us that the constitutional lawyers in this body said that it was impossible for the Congress of the United States to divide the waters of rivers. In their opinion, that was a function which could only be performed by the States through compact, or by the Supreme Court of the United States in the event of an interstate suit for an equitable apportionment of the waters, and therefore it was impossible for the Senate to insert a provision in the bill which would assure to Arizona her fair share of the waters of the Colorado River. We were advised that the Senate would do the next best thing, would do all that it could do; first, place a limitation upon the State of California with respect to the primary water mentioned in the Colorado River compact; that out of the seven and a half million acre-feet, California should not use more than 4,400,000 acre-feet. Second, that the bill would be so amended as to clearly indicate the kind of a division of the waters the Congress would approve in any compact between Arizona, California, and Nevada. That was done, and that is the provision to which I refer as found in the last paragraph of section 4 (a) of the Boulder Canyon project act.

The Swing-Johnson bill was passed and became a law. Many Californians, particularly those from the Imperial Valley, left here very much disappointed that Congress had suggested any such division of water. They said that the water allotted to California was not sufficient to meet the needs of that State. The California Legislature subsequently accepted the limitation placed by Congress upon the amount of water which California could use out of the seven and a half million acre-feet. There was in existence a commission, consisting of three very able Californians, to represent that State in the negotiations with Arizona and Nevada.

The Arizona Legislature which met in January, 1929, the Swing-Johnson bill having become a law in December, and authorized the appointment of a new commission by the governor of the State, to be confirmed by the State senate. That commission was appointed, consisting of three very able citizens of my State, Mr. John Mason Ross, Mr. Charles B. Ward, and Mr. A. H. Favour. That commission carefully examined the Boulder Canyon project act and endeavored, good lawyers as they are, to determine what was the intent of Congress in the passage of the act. The Arizona commissioners decided that in any negotiations which they might have with the commissioners representing the State of California they would not go outside of the intent and the meaning and the terms of the act. From the very beginning of their service to this day the Arizona commission has followed that course. I might add that these three gentlemen have no private, personal interest whatsoever in the outcome of the Colorado River controversy. They have therefore been in position to represent the State of Arizona fairly, freely, without any personal or individual interest in the outcome.

In March, 1929, a little over three months after the passage of the act, this new Arizona Colorado River commission met with the commissioners from California and Nevada at Santa Fe, N. Mex. Negotiations were opened. Apparently but very little progress could be made. It soon became evident that the California commission would take no action because they hoped that the State of Utah, the sixth State needed to ratify the Colorado River compact, would, through its legislature, agree to a 6-State ratification of that instrument, and thereby avoid the necessity for having Arizona within the compact. That is exactly what happened at Santa Fe. Nothing was done, negotiations were stalled along, until finally Utah ratified the compact, and then the proceedings were quickly brought to an end.

Mr. President, I ask leave to insert in the RECORD a copy of the proposals and counterproposals made by Arizona and California at the Santa Fe conference. I shall not read them in detail, but merely desire to point out that nothing that Arizona offered was satisfactory to California on that occasion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matters referred to are as follows:

PROPOSALS AND COUNTERPROPOSALS OF ARIZONA AND CALIFORNIA AS BASES FOR A LOWER BASIN COMPACT—SUBMITTED TO TRI-STATE CONFERENCE IN NEW MEXICO, MARCH, 1929

PROPOSALS AS TO A BASIS FOR A LOWER BASIN COMPACT—SUBMITTED AT SANTA FE CONFERENCE BY THE COLORADO RIVER COMMISSION OF ARIZONA, MARCH 3, 1929

(Charles B. Ward, John Mason Ross, A. H. Favour, members)

Proposals on water

Conditioned upon (1) a satisfactory arrangement affording Arizona proper revenue from the Boulder Dam project, and

(2) A lower-basin compact, otherwise satisfactory in terms, and binding on all lower basin States.

Arizona offers to divide the consumptive use in perpetuity of the waters of the lower basin as follows, adopting for the purpose hereof certain definitions, viz:

Definitions: (1) Apportioned water shall mean 8,500,000 acre-feet apportioned to the lower basin by paragraphs "a" and "b" of Article III, Colorado River compact, and shall only include water physically present in the main stream.

(2) Surplus water shall mean unapportioned water physically present and available for division in the main stream.

(3) Tributaries shall mean all streams, including the Gila, entering the main stream below Lees Ferry.

Water division (1) all tributaries, excepting waters thereof reaching main stream, shall belong to the States where situated, subject to division of interstate tributaries by compact or compacts between States respectively interested therein.

(2) Apportioned water shall be divided, without preference or priority:

	Acre-feet
To Arizona	3,500,000
To California	4,700,000
To Nevada	300,000

(3) Surplus water shall be divided equally between Arizona and California, without preference or priority.

(4) Tributaries, excepting water thereof reaching main stream, shall be exempt from Mexican burden resting on lower basin, which burden shall be borne and shared equally by Arizona and California from waters of main stream.

(5) All-American canals shall not, directly or indirectly, carry any water to or for the use of any lands in Mexico.

Proposals on revenue

Conditioned upon: (1) A satisfactory division of the waters of the lower basin among the interested States; and

(2) A lower-basin compact, otherwise satisfactory in terms, binding on all lower-basin States—

Arizona offers to adjust her claim for adequate revenue from the project upon the following general basis, the necessary protective and supporting details to be embodied in the final compact:

(1) The project shall be constructed, maintained, and operated by the United States with the purpose not only of repaying Federal advances within 50 years, but also of providing the greatest reasonable return meanwhile to Arizona and Nevada.

(2) Contracts for electrical power shall provide greatest practicable returns consistent with competitive conditions in available markets, with periodic readjustments as provided in the act to effectuate such intent.

(3) Power transmission costs from dam to available market shall be under the control of the Secretary and kept within reasonable limits as a condition to granting power contracts.

(4) Any dam or dams, other than the project, in the lower basin shall be constructed, maintained, and operated with like purpose and under like conditions as herein provided for the project, the benefits accruing from any such dam or dams to be controlled by compact between interested States of the lower basin.

(5) Power from any such other dam or dams shall not be deemed or handled as competitive with power produced by the project in determining charges for power from the project.

(6) Charges for the storage and delivery of domestic water shall be on an acre-foot basis, not less than $2 per acre-foot, subject to periodical readjustment, as above stated, for the purpose of keeping such charges on a basis commensurate with the value of the storage and delivery facilities afforded by the project.

(7) All water taken from the project for use outside of the river basin, except water diverted for Imperial and Coachella Valleys, shall be deemed to be for domestic use.

(8) Ample opportunity shall be afforded by the Secretary to interested States to participate, in an advisory way, and to be heard upon all matters of construction, maintenance, and operation of the project, and in the making of contracts for power and domestic water, to the end that the financial returns from the project to Arizona and Nevada shall be as great as reasonably practicable.

(9) After repayment of Government advances, charges for storage and delivery of water shall cease, and the revenue of the project shall be divided equally between Arizona, Nevada, and the Colorado River Basin fund mentioned in the act.

(10) The period for Arizona and Nevada to make contracts for electrical energy up to 75,000 horsepower shall be enlarged in five years, provided the party contracting shall assume all obligations to the United States therefor and release all parties previously obligated.

(11) The proposed lower-basin compact shall express the sense of the signatory States that the act imposes no interest charge upon the project on account of flood control, and, subject to the consent of Congress, that the project should be relieved of any burden of principal or interest on account of flood control.

(12) The accomplishment of the foregoing intents and purposes shall be effectuated and safeguarded by reasonable interpretations of the act, or necessary changes therein, to be incorporated in the compact and accepted by Congress.

CALIFORNIA'S REPLY TO ARIZONA'S PROPOSALS AS TO A BASIS FOR A LOWER BASIN COMPACT SUBMITTED AT TRI-STATE CONFERENCE BY THE COLORADO RIVER COMMISSION OF CALIFORNIA MARCH 7, 1929

(John L. Bacon, W. B. Mathews, Earl C. Pound, members)

In re proposed compact between Arizona, California, and Nevada on the Colorado River

CALIFORNIA'S REPLY TO PROPOSAL OF ARIZONA

Arizona has submitted a proposal in relation to such proposed tri-State compact covering, among other things, certain major points, to wit:

Division of water.

Revenue and other benefits from water and power.

I. Division of waters

California does not accept Arizona's proposal as to the division of water. As a counter proposal on that point, California offers to enter into a compact with the States of Arizona and Nevada providing for a division of the waters of the Colorado River among said three States upon the basis set forth in the Boulder Canyon project act, such offer being made upon and subject to the following interpretations affecting said act, to wit:

(a) Such proposed division of waters shall be subject to the Colorado River compact.

(b) Of the 7,500,000 acre-feet annually apportioned to the lower basin by paragraph (a) of article 3 of the Colorado River compact, there is hereby apportioned in perpetuity the exclusive, beneficial, consumptive use of 4,400,000 acre-feet to California, 2,800,000 acre-feet to Arizona, and 300,000 acre-feet to Nevada.

(c) The 1,000,000 acre-feet of water covered by paragraph (b) of article 3 of said compact shall be deemed subject to appropriation and beneficial use by any of said three States and the right thereby acquired by such appropriation to be governed by the law of prior appropriation on said stream.

(d) The State of California may annually use on-half of the excess or surplus waters unapportioned by the Colorado River compact, and the State of Arizona the remaining one-half.

"Excess or surplus waters" so unapportioned shall be deemed to be all waters of the Colorado River system not covered by paragraphs (a) and (b) of article 3 of said compact.

(e) The State of Arizona shall have the exclusive, beneficial, consumptive use of the Gila River and its tributaries within the boundaries of said State.

(f) The waters of the Gila River and its tributaries, except return flow after the same enters the Colorado River, shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico, but if, as provided in paragraph (c) of article 3 of the Colorado River compact, it shall be necessary to supply water to the United States of Mexico from waters over and above the quantities which are surplus as defined by said compact, then the State of California will supply out of the main stream of the Colorado River one half of any deficiency which must be supplied to Mexico by the lower basin and Arizona the other half.

(g) None of the signatory States shall withhold water and none shall require the delivery of water which can not reasonably be applied to domestic and agricultural uses.

(h) As to the proposal that the all-American canal be not used for delivery of water for Mexican use, that is not a proper subject of concern in framing the proposed pact and should be omitted therefrom.

II. Revenue and other benefits from water and power

In reply to Arizona's offer to adjust her claim for adequate revenue from the project upon a certain general basis described in such offer, California states that the Boulder Canyon project act makes full, adequate, and reasonable provision for such revenue, and no attempt should be made by interpretation or change of terms to alter said act on that subject. Replying specifically and seriatim to the items contained in Arizona's proposal, California submits the following:

(1) To make "providing the greatest reasonable returns" to Arizona and Nevada during the amortization period a main or primary purpose of the construction, operation, and maintenance of the project would render the legislation of questionable validity, and no doubt would antagonize Congress and cause rejection of the compact.

(2) The policy of requiring contracts for power to "provide greatest practicable return" regardless of other considerations would be calculated to give monopolistic control of the power of the project and of the power from other development on the river. The Secretary should have sufficient discretion to protect the general consuming public.

(3) As to the control by the Secretary of power transmission costs, a slight rewording of the provision would probably render it acceptable. However, the costs of steam stand-by should be included.

(4) Provisions for "any dam or dams, other than the project," would be foreign and practically impossible to formulate in connection with said act. Besides, the meaning or effect of this item is not sufficiently definite or clear.

(5) The same objections are made as in the case of item (4).

(6) As to the proposed minimum charge of $2 on domestic water, any guaranteed minimum or other charge for storage and delivery of domestic water to produce revenue in excess of amount to be provided under section 5 of the act, to wit, for operation, maintenance, depreciation, interest, and amortization, would be contrary to the act, and, besides, would be unjust and unreasonable.

There is no objection to the compact providing that under the terms of the act said charges should be such as in the judgment of the Secretary of the Interior will yield a sum equal to a full, fair, proportional part of the total revenues from all sources which will cover, in respect to the storage and delivery of water, all expenses of operation and maintenance incurred by the United States and the payments to the United States under subdivision (b) of section 4.

However, if the policy of a minimum charge on domestic water is to be established it should not exceed $1 per acre-foot.

(7) As to the proposal to make charges for storage and delivery of water for irrigation use outside the basin on the same basis as water for domestic use, as California is to have her share of the river waters set apart to her for use solely in that State, the question of charges for different uses of such water concerns only that State and the Government in providing storage and delivery service.

(8) Provision for advisors from interested States would be obnoxious to the Secretary of the Interior and probably not be approved by the Congress. The limited extent to which Congress might sanction such a policy is indicated in section 16 of the act.

(9) As to the proposed division of revenue from project after amortization, Congress has plainly indicated in section 5 of the act that it is unwilling to make further declaration on this subject at this time.

(10) As to the proposal that Arizona and Nevada be given a 5-year right or option on a large portion of the power of the project, this would involve an attempt by interstate pact to amend the act and is, therefore, objectionable. Besides, such a provision would seriously interfere with the disposal of the power by the Government under the most advantageous conditions.

(11) As to the proposed elimination of repayment to the Government of the item of $25,000,000 for flood control and expressing the view that the act imposes no interest on that item, these are matters resting solely within the legislative powers of Congress and no attempt to cover them by interstate agreement should be made. The proper method of making the attempt, if made at all, would be by direct amendment of the act.

(12) As to the proposal to effectuate certain intents and purposes of the act by interpretations or changes, this is also outside of the proper scope of the proposed tri-State agreement.

Mr. HAYDEN. The next meeting of the Colorado River commissioners from Arizona, California, and Nevada was in the city of Washington in June, 1929. Shortly after the sessions began the Arizona commission was reliably informed that the California commissioners, at a meeting in Los Angeles with representatives of the Metropolitan Water District, the Imperial Irrigation District, and other interested parties in that State, had agreed before their departure that they would make no compact with Arizona at the Washington conference. When later in the conference that subject was brought up it was freely confessed to be a fact by one of the members of the California commission.

The Californians were not at all anxious to come to Washington to confer with Arizona. They were fearful that the national administration, Mr. Hoover having by that time taken office as President, would put some sort of pressure upon them to induce them to come to an agreement with Arizona with respect to water and power. The Californians were not at all anxious to be at the seat of government, where any such pressure might be applied. It was for that reason that they held the meeting in California and agreed among themselves that no understanding whatever would be concluded with Arizona in Washington.

The Arizona commission was quite hopeful that Mr. Hoover or his Secretary of the Interior would do something to bring about an agreement between the two States. They relied upon statements which were freely and publicly made after a meeting held about a year previously at Grand Canyon, Ariz., where Mr. Hoover, then a candidate for President, met with a number of the leading citizens from various parts of our State. Nothing was given out at Grand Canyon directly quoting what Mr. Hoover said, but all who came away from the meeting reported to the people of Arizona that Mr. Hoover had given positive assurance that he would see that Arizona had a fair deal when it came to a division of water and other benefits from the development of the Boulder Canyon project.

Statements to that effect were published in the newspapers throughout the State of Arizona. Many people relied very strongly upon such assurances, as did the Arizona-Colorado River Commission when it came to Washington in 1929. It is true that at the time of the Washington conference the administration had the Californians, so to speak, in the hollow of its hands. All it was necessary for the administration to say was, "We are convinced that the State of Arizona has advanced some proposals which are fair and which are reasonable, and we will not ask the Congress for any money to commence construction of the Boulder Canyon project until you agree with Arizona with respect to these matters."

But what happened? Neither the President nor any member of his administration did so much as lift a finger to bring about an agreement. The commissioners from the three States, it is true, went to the White House, and the President expressed a pious wish that the Colorado River problem might be solved, but at no time and at no place have I seen any evidence that the administration has done anything to bring about a settlement of the controversy by compelling California to do anything. That is why Arizona is now forced to appeal to Congress. The people of Arizona feel that Congress having clearly indicated in the act authorizing the construction of the Boulder Canyon project how the waters should be divided, Congress should not appropriate money to commence the construction of Boulder Dam until that division of water is made.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. HAYDEN. Certainly.

Mr. DILL. I am interested in the suggestion of the Senator that the act indicates how the water should be divided. Did the Senator explain that before I came into the Chamber a few moments ago?

Mr. HAYDEN. I did. I quoted the act, and shall be glad to repeat the substance of what I said for the benefit of the Senator. If the Senator will look at the second paragraph of section 4a of the Boulder Canyon project act, he will find that the States of Arizona, California, and Nevada are authorized to enter into an agreement for a division of water, and the allocations to each State are set forth in detail. The surplus waters, as the Senator will remember, was to be divided equally between the two States, and the Mexican burden to be supplied equally by the two States. That is a provision which was adopted by the Senate after long debate, and represents, among other things, the compromise suggested by the Senator from New Mexico [Mr. BRATTON] which in effect took 200,000 acre-feet in water away from Arizona.

Mr. DILL. I was familiar with that provision, but I thought the law was controlling.

Mr. HAYDEN. No; that could not be done, because everyone among the lawyers in the Senate agreed that it was impossible for Congress to divide the waters of any stream. Such a division can only be made by agreement among the States or by the Supreme Court in the absence of agreement. But Congress did indicate what kind of a water agreement between Arizona and California ought to have been made, and our contention is that in carrying out the law it was incumbent upon the President and his Secretary of the Interior to use every effort to see that such an agreement was brought about before any appropriation of money was sought. The administration having failed to do that, Arizona contends that Congress should not now make the first appropriation until the requirements of the act are substantially carried out.

The negotiations at Washington, as I said, were futile. The Californians came here committed to the idea that they would do nothing. At the close of negotiations it was understood there were to be further meetings. The Arizona commission still insists that there was a gentleman's agreement arrived at before the conference ended that the Californians would not ask for an appropriation of money for Boulder Dam and that the Secretary of the Interior would not make contracts for the sale of power until a further conference between the Oregon and California commissions had been held.

Therefore they were greatly surprised when, within a comparatively short time thereafter, the Secretary of the Interior announced through the public press that he intended to proceed to make contracts for the sale of Boulder Dam power. Upon receiving that information the Arizona Colorado River Commission gave out a statement, early in November, 1929, stating that if such were the case any further negotiations were absolutely useless; that the only recourse the State of Arizona would have would be to the courts. I ask to have included in the RECORD at this point a copy of that statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

STATEMENT BREAKING OFF NEGOTIATIONS, NOVEMBER, 1929

Under the terms of the Swing-Johnson bill Arizona was intended to be a beneficiary of the project to the extent of 18¾ per cent of the "excess revenues." That is to say, revenues received in excess of the amounts required for operation, maintenance, and repayment of the Government advances, but, notwithstanding her direct and important interest in the negotiations now proceeding before the Secretary of the Interior concerning the sale of water and power from the project, the act does not permit Arizona to advise or cooperate with the Secretary in the matter of proposed contracts because she has not ratified the Colorado River compact. Only those States which have ratified the compact are accorded that privilege.

The act authorizes Arizona, California, and Nevada to make a compact concerning power and other benefits to be derived from the project, but specifies that if such compact should not be approved by Congress on or before January 1, 1929, it would be subject to any contracts made by the Secretary of the Interior covering power or water prior to the date of congressional approval of such compact. As the act was approved by the President on December 21, 1928, a period of 10 days and

no more was thus set apart for the formulation and congressional approval of any such compact, if it were certainly to controltheSecretary'scontracts, an impossible period of time to accomplish the purpose stated.

However, the Arizona commission, in February, March, May, and June of this year, held various meetings with the California and Nevada commissions in an endeavor to compact with them concerning power rates and contracts, charges for domestic water, water division, and other related matters, but without any success.

When the Washington conference of the interested States adjourned in June, 1929, it was on the understanding with California that, pending further negotiations between the States, the Secretary of the Interior should be requested, so far as possible, to maintain the existing state of affairs and avoid any definite commitments as to water, power, or other matters in which the States were interested. That was done, as we are advised.

It was then contemplated that Arizona and California would immediately resume their negotiations with the aim of arriving at a compact on all matters at issue without delay. Upon our return to Arizona from the Washington conference we endeavored to resume negotiations with the California commission but found it impossible to arrange an early meeting. Some months passed until, in September, the two commissions met for further conference. Several days were consumed and the meeting adjourned without definite progress. The only thing then discussed was water division, and on that subject we found California's position substantially unchanged. Southern California wants practically all of the available water in the river for irrigation purposes in the Imperial, Coachella, and other interior valleys and for use on the coastal plain, and the California commission seems unable or unwilling to make any modification of those demands. For Arizona to concede those demands would mean that whatever new irrigation developments might be made possible by the project would take place in California and none in Arizona.

Lately representatives of the Secretary of the Interior have been, and now are, pressing for action in the matter of power and water sales under the act. Naturally and properly the Secretary desires to move in those matters as expeditiously as possible to the end that the entire project may be put in such shape that at the coming regular session of Congress proper requests may be made for the necessary appropriations to carry the act into effect.

For some time it has been evident to our commission that California wanted to get the matter of power and water contracts completed with the Secretary before seeking a compact with Arizona, thus narrowing the scope of any such compact and removing power and water revenues as subjects of negotiation.

The Swing-Johnson bill as passed by Congress is highly objectionable to Arizona for many sound reasons. The proposed project is obviously designed for the exclusive benefit of southern California. Under the terms of the bill the Imperial and Coachella Valleys are to receive their water for irrigation and other purposes without paying anything whatever to the project therefor. No such gratuity is extended to Arizona. Whatever water Arizona may use from the project she must pay for. While the bill was being pressed for passage in Congress it became generally understood that California would be expected to pay approximately $1.50 per acre-foot storage and delivery charges for waters diverted to the coastal plain. The Sibert commission, made up of eminent engineers who experted the project at the request of Congress, reported that such charge should be substantially increased. In our negotiations with California, influenced by the Sibert report and supported by engineering advice, we requested a minimum charge of $2 per acre-foot, which would mean an annual revenue to the project from that source of upward of $2,000,000. California's reply asserted that if any minimum charge was to be fixed it could not be more than $1 per acre-foot. It is now proposed by the Secretary of the Interior to impose a charge of only 25 cents per acre-foot on that water.

The suggestion of that nominal charge necessarily runs counter to the apparent intent of Congress that the project, if possible, should be so operated as to produce substantial revenues for Arizona and Nevada. With such nominal charge for that water, any hope that Arizona might actually receive substantial revenues from the project is completely wiped out.

So far as the power possibilities of the project are concerned, the project was intentionally placed at the nearest available point to the California power market and the most remote from the Arizona power market. Power experts from nearly all of the large users of power in Arizona, outside of Mohave County, have closely studied the matter and reached the conclusion that by reason of prohibitive transmission costs and the relatively small demand Boulder Dam power can not, under present conditions at least, be used by any of the large power consumers in Phoenix or the large mining camps of eastern and southern Arizona.

However, Arizona must choose whether to accept the act and ask for benefits thereunder, or reject it. She can not do both. Viewing the act as a whole and considering the rights and interests of the State as a whole, rather than the special interests of any particular section or county, it is plain that Arizona can not accept the act as now written and administered.

In our negotiations with California we have sought by compact to clarify and fix the interpretation of the act, subject to congressional approval, so as to get it in shape which might be acceptable to Arizona, as an alternative to litigation. In its present form and purpose our commission is advised and is firmly of the opinion that the Swing-Johnson bill is unconstitutional, but our commission would have recommended that Arizona forego that objection if the bill could have been put in satisfactory form and its satisfactory administration properly safeguarded.

Our particular purpose was to assure Arizona a proper revenue from the project, through the sale of power at a competitive price and the storage and delivery of water on proper charges therefor. By its terms, the act intended that that should be done, but its provisions are vague and conflicting and we merely sought to have that intent carried into effect. It now appears, however, from the program announced by the Secretary of the Interior, that there will be no substantial "excess revenue" from the project and that Arizona's right to receive 18¾ per cent thereof will be of no value to her.

Thus the southern California cities, and the coastal plain of southern California are to be afforded a vast water storage in Arizona, without cost to them and in connection therewith are to enjoy the great output of electrical power, to be produced by the project, free from Arizona taxation, if possible, at a price too low to provide any substantial revenue for Arizona.

The Imperial, Coachella, and other interior valleys of southern California, which plan to use practically all of the available water in the main stream not transported to the coastal plain, are expressly exempt from any payment for their water. Arizona can not use any water from the project except by contract with the Secretary of the Interior, subject to the terms of the Colorado River compact, which she has refused to ratify.

The United States is to advance upwards of $40,000,000, without interest, to enable Imperial and Coachella Valleys to vastly increase their appropriation and use of the waters of the river. No provision is made for any such aid to Arizona.

When the project is fully paid for, Arizona's right to share in the revenues thereof ceases. Prior to that time, as we have pointed out, that right is without substantial value. Thereafer those revenues, from what are termed lower-basin waters, will go into a fund to be expended by the Government anywhere in the seven States of the river basin for the development of the river. In our proposals, presented at Santa Fe, we sought to have that provision changed so that when the Government advances should have been repaid, Arizona, Nevada, and the fund above mentioned should come into full beneficial ownership of the project, but there now appears to be no prospect of that reasonable and just amendment.

We have reached a point where it is evident that Arizona is to be foreclosed of her right, given by the act, to compact with California and Nevada concerning power and other benefits to be derived from the project. From our experience in negotiating with California for a division of water we are satisfied that further negotiations on that issue would be futile even if that subject were separable from the remaining issues, which it is not.

Therefore our commission feels that we have reached the end of the road so far as negotiations for a tristate compact are concerned. Such a conclusion is deeply disappointing to every member of our commission. Such interstate controversies should be settled by compact, but with that avenue closed Arizona's only recourse is to the courts. It now appears necessary that she adopt that alternative. Thus Arizona will hope to ascertain whether in sovereign right, power, and dignity she stands on a plane of equality with the other States; whether the Federal Government, under a pretense of regulating navigation in the Colorado River, may take charge and control of all of its waters for all purposes and engage in a purely commercial undertaking of selling those waters and the power produced thereby; whether in such a transparent disguise a purely southern California enterprise may masquerade in Arizona as a Federal project and appropriate to itself powers, privileges, and immunities which as a California enterprise it could neither demand nor enjoy; whether Arizona may be subjected to the Colorado River compact by act of Congress and without her consent. Also Arizona will thus hope to secure a reasonable share of the waters of the river, notwithstanding the Colorado River compact, which seeks to reserve in perpetuity to the upper basin an enormous quantity of water which it can never use, and notwithstanding the Swing-Johnson bill, which seeks to federalize the water and power development of the river for the particular benefit of southern California.

Our commission has given notice of our decision as above stated to Hon. W. J. Donovan and to the California and Nevada commissions, and has authorized and directed the attorney general of Arizona to take such legal action as may be proper and necessary.

Mr. HAYDEN. Whether the announcement that the State of Arizona intended to appeal to the courts had any effect or not I do not know, but, in any event, shortly afterwards Col. William J. Donovan, who had been originally appointed by President Coolidge as the Federal representative to be present at the negotiations between the States to care for the interests

of the United States, was requested by the Secretary of the Interior to call another conference. The Arizona commission suggested that the meeting be held in Phoenix. All of the prior negotiations had been conducted outside of Arizona. The meeting was called, but unfortunately, owing to a serious accident which occurred to one member of the Nevada commission, Mr. Malone, it was necessary to hold the meetings in Reno, Nev.

In January of this year the conference began in Reno. Colonel Donovan at that meeting suggested that a different procedure be followed. He said that at the former conferences the delegations met, talked, and apparently accomplished nothing; that he would like to have each side separately say to him just what it wanted, and that he would make a memorandum of the desires of each State and then see how far they were apart. He first called in the California commissioners and asked them for their views of the situation.

The Californians said to Colonel Donovan that they understood that what Arizona wanted was money. They understood that Arizona was primarily concerned in the amount of revenue the State could derive from the development of the hydroelectric power at Boulder Dam. Therefore they asked Colonel Donovan to inquire of the Arizona commission as to how much money it would take to pay Arizona each year in order that California might have all the water she wanted out of the Colorado River. When Colonel Donovan brought that message to the Arizona commission they replied that water is the lifeblood of an arid State in the West, and that they did not come to Reno to obtain blood money. Consequently, to show their earnest desire in that respect, they would not discuss the question of revenues in any manner whatsoever until the water controversy was first disposed of.

Colonel Donovan reported Arizona's position back to the California commission and suggested that they submit a proposal for a division of the water. The proposal was made, the same old proposal that has been presented time after time. It represented a clear departure from the terms of the Boulder Canyon project act and in addition to that an entire misconception and misconstruction of what that act really meant. In effect they asked to have all of the Arizona tributaries added together with the main-stream water and then divide that total so that California would get a larger amount out of the main stream of the Colorado River. Arizona could never agree to any such arrangement. Such a plan was never suggested until after the passage of the Boulder Canyon project act. The Governor of California in Denver conceded to Arizona her tributaries, the governors of the four upper basin States in Denver conceded to Arizona her tributaries, and an offer of that kind could not have been made for any other purpose than to becloud the issue and make sure that Arizona would not accept it.

Colonel Donovan then asked the Arizona commissioners to state what they would do with respect to water. The Arizona commission replied, "We will abide by the Boulder Canyon project act, and where there is any vagueness in that act, where there is any doubt about what that act means, we will go back to the recommendations made at the conference of the four governors in Denver who made the finding upon which the Boulder Canyon project act is based." In other words, there was a complete historic background for everything the State of Arizona asked at Reno with respect to water.

In making this offer they said to Colonel Donovan, "Do you want absolute bedrock or is this a horse-trading offer? Is this something to be cut down later?" He said, "No; I want to know just exactly what the State of Arizona will do." That was the proposition which was submitted to him. Arizona simply said to the Californians, "The discussion with respect to water has gone on far enough. You can either take this proposition or leave it. There will be no further concessions or changes because the Boulder Canyon project act and the findings of the four governors in Denver will not permit of it."

The Californians waited in Reno, as the senior Senator from Nevada [Mr. PITTMAN] will well remember, for more than a week and could not give Arizona an answer either one way or another. At one time we were told that two of their commissioners might accept the proposal. The Arizona commission said, "If that is so and the Governor of California will agree to it and recommend its approval to the California Legislature, we will not ask for the approval of the third commissioner providing that will bring about a complete agreement." But finally nothing was done. The Arizona commissioners then suggested that the meeting be adjourned, and cordially invited the California commissioners to come to Phoenix and see if the problem could be settled there. In Reno there was a very able gentleman representing the Metropolitan Water District of Southern California, one of its directors, Mr. Harry Heffner, who did do everything possible to bring about a water settlement between the two States. I have here in my hand the exact copy of a memorandum which he and the chairman of the Arizona-Colorado River Commission, Mr. Ward, made with respect to an apportionment of the waters. I ask that that memorandum, known as the "yellow slip," may be printed in the CONGRESSIONAL RECORD, together with a tabulation in parallel columns setting forth the proposal made by the Governor of California at Denver in 1927, the findings of the governors of the upper basin States that year, the provisions of the Boulder Canyon project act of December 21, 1928, and Arizona's final proposal with respect to a division of the waters of the lower Colorado River Basin.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Based on 10,500,000 acre-feet of water of main stream after eliminating Gila and all other tributaries

	A–3	B–3—Next 1,000,000, divide 50–50	Surplus—Next 2,000,000, divide 50–50	Total
California	4,400,000	500,000	1,000,000	5,900,000
Arizona	2,800,000	500,000	1,000,000	4,300,000
Nevada	300,000			300,000
Total				10,500,000

Dividing Mexican burden 800,000 acre-feet between Arizona and California out of main stream

Leaves—	
California	5,500,000
Arizona	3,900,000
Nevada	300,000
Out of main stream—	
Mexico	800,000
Total	10,500,000
Imperial Valley	4,000,000
Blythe, etc	400,000
Metropolitan district	1,100,000
Total	5,500,000
Imperial Valley now	2,600,000
New water	1,400,000
Total	4,000,000

1/26/30. J. M. R.—C. B. W.

(The above is a true copy of the "yellow slip" made at Reno, Nev., by Ward & Heffner.)

Proposal and findings of governors

Governor Young's proposals to Denver conference (August, 1927)	Findings of the upper basin governors (August, 1927)	The Boulder Canyon project act (December, 1928)	Arizona's present position
1. To Arizona her tributaries except such waters reaching the main stream.	Same	1. To Arizona the Gila River except such waters reaching the main stream.	To Arizona her tributaries including the Gila, except such waters reaching the main stream.
2. To Nevada 300,000 acre-feet of 3a water.	Same	Same	Same.
3. The balance of 3a water; to Arizona 233,800 acre-feet perfected rights; to California 2,159,000 acre-feet perfected rights; balance divided equally between States, or Arizona, 2,637,400; California, 4,562,600.	Arizona, 3,000,000; California, 4,200,000.	Arizona, 2,800,000; California, 4,400,000.	Arizona, 2,800,000; California, 4,400,000.
4. 3b water in main stream divided equally between California and Arizona.	Given to Arizona to be supplied from tributaries.	Not mentioned	Divided equally between California and Arizona.
5. Surplus water in main stream divided equally between California and Arizona.	Same	Same	Same.
6. Mexican burden not mentioned.	Same	One-half burden of lower basin to be borne by Arizona and one-half by California.	Same.
7. Limitation on Arizona's time to use water, 20 years.	No limitation	No limitation	No limitation.

NOTE.—The documents referred to are part of the record of the Denver proceedings, the Boulder Canyon project act, and the minimum Arizona requirements.

Mr. HAYDEN. The only advance made at the Phoenix conference, which was the final meeting of the commissioners, beyond what was done at the other meetings was that the California commissioners at that time did finally concede what their governor had freely granted at Denver away back in 1927, that Arizona should have all of her tributary waters. The meeting broke up with no understanding.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Washington?

Mr. HAYDEN. I yield.

Mr. DILL. Can the Senator state briefly just how far apart California and Arizona are on the question of the division of water? Just what is the difference?

Mr. HAYDEN. The difference is explained very thoroughly in the statements I have asked to have printed in the RECORD.

Mr. DILL. The facts will no doubt appear in the RECORD, but I thought the Senator could briefly state them.

Mr. HAYDEN. Briefly stated, the difference is this: California finally conceded to Arizona all of her tributary waters, but would not agree that the waters of the main stream of the Colorado River should be divided as provided in the Boulder Canyon project act, according to the specific quantities mentioned in that act. California left the division vague and indefinite in that California was to have her present rights to the use of water and Arizona was to have her present rights to the use of water, and the remainder of the water was to be divided equally. The Arizona commission very promptly pointed out that such an arrangement would lead to nothing but a further dispute as to what are the present vested water rights of each State.

Mr. DILL. But how much difference does that make? How many feet of water more would California get under that arrangement than she would get under the provisions of the bill?

Mr. HAYDEN. It is impossible to ascertain that fact from the California proposal.

Mr. DILL. Has the Senator a rough idea?

Mr. HAYDEN. No. The only answer that can be made is the answer made by the Arizona Colorado River Commission at that time. They properly observed in their reply that every time California has been called upon to define what her present rights to water are her commissioners have increased the amount of water claimed, so that to agree with California that she might have her present perfected rights would mean that it would depend upon what California might say her rights are, and that is something nobody knows.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Nevada?

Mr. HAYDEN. I yield.

Mr. PITTMAN. I will interject a statement if I may which may to some extent help the Senator from Washington. If I am in error the Senator from Arizona of course will correct me.

There are 7,500,000 acre-feet of water allocated to the lower basin States and which may be used by Arizona, California, and Nevada. There are 1,000,000 acre-feet which also may be appropriated by the lower basin States. The provision of the seven States compact is a very queer one. In drawing the provision permitting a treaty between Arizona and Nevada and California we treated that 1,000,000 acre-feet, as I recollect, as unappropriated water. Then, we limited California by requiring as a condition precedent to ratification, that California through legislative action should surrender sovereignty over all of the 7,500,000 acre-feet in excess of 4,400,000 acre-feet and should not allow any water in excess of that to be taken out of the river for California. It was probably the intention at the time to include the 1,000,000 acre-feet in the restriction, but it was not done.

As I understand, Arizona would have been perfectly satisfied at one time with the limitation of 4,400,000 acre-feet to California out of the allocated waters and an equal division of the 1,000,000 acre-feet.

Mr. HAYDEN. Exactly so.

Mr. PITTMAN. So that would cut down the difference to 500,000 acre-feet. That is one answer.

Mr. DILL. That is what I am trying to get at. I have been told that there were only a few hundred thousand feet of difference between them. I was trying to find out whether the last conference reduced that margin of difference, whether they had gotten more nearly together than 500,000 acre-feet.

Mr. PITTMAN. What I have said may be one way of getting at the difference, although, perhaps, it is not entirely exact. Arizona, however, was willing to settle on that basis.

Mr. HAYDEN. I can say that Mr. Heffner, not a member of the California commission, it will be understood, but representing the Metropolitan Water District, in his investigations arrived at the conclusion that there was really less than a hundred thousand acre-feet of water difference between the two States. He narrowed it down to that small margin, but Arizona never could get an agreement with the California commissioners and it is perfectly obvious that they did not ever intend to make an agreement. If the dam shall be built at Boulder Canyon and if Congress shall appropriate the money to build the all-American canal, and the cities of southern California do divert the water, as they contemplate doing, out of the Colorado River over on to the coastal plain—if those things shall be done first without an agreement between Arizona and California, California will acquire a prior vested right to the greater and an unfair proportion of the waters of the Colorado River. So it is to the interest of that State not to make any agreement, and that is the reason why no agreement has been made. California would not agree with Arizona if there were only 1,000 acre-feet of difference, because they do not desire an agreement at all. They want the matter left wide open to operate under the law of prior appropriation. That is what they expect to do, in my judgment, and that is the reason why Arizona could not get an agreement with them at any time. That is why, on the other hand, I insist, if Congress refuses to make this appropriation to commence construction at Boulder Dam, it is understood that the reason why it is not made is because they have failed to agree, that California will agree with Arizona within a week.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Nevada?

Mr. HAYDEN. I yield to the Senator from Nevada.

Mr. PITTMAN. As the Senator knows, I was anxious in all the conferences to bring about an agreement that would divide the 1,000,000 acre-feet; but in fact in our negotiations we all neglected to consider the 1,000,000 acre-feet for a long time. However, the thing that impressed me in all the negotiations was that, as I remember, it was unanimously agreed among the hydraulic engineers that with California taking 4,400,000 acre-feet, which she may take under the restrictions of the act, and also taking the entire million acre-feet to which I referred and which may be put to beneficial use, in addition, and Arizona and Nevada taking all the water that they could put to beneficial use, a shortage of water would not occur within 50 years anyway. After that time development might cause Arizona and Nevada to be short of water to which they could claim they were legally entitled. That was the point that impressed me.

Mr. HAYDEN. That matter was argued at great length at the Reno conference. Arizona felt the same argument bore with equal force upon California. There was not an engineer present at Reno, which the senior Senator from Nevada [Mr. PITTMAN] and I both attended, but agreed that upon the set-up as proposed by the State of Arizona there would be no shortage of water in the State of California, if the California commissioner accepted the proposal, for the next 50 years. As was very well said by Colonel Donovan toward the close of the meeting, California now has to balance upon one side her future fears of a shortage of water some 50 years or more from now against the immediate benefit which would come from prompt development, practically all of which is to accrue to that State.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield further to the Senator from Washington?

Mr. HAYDEN. I yield.

Mr. DILL. I am interested in the Senator's statement that he does not think California wants to make an agreement at all. Yet California did make an offer.

Mr. HAYDEN. Yes; but in such vague and indefinite terms and so far away from the Boulder Canyon project act itself that it, of course, could not possibly be accepted by Arizona. In other words, to say to Arizona, "California will divide the water with you provided Arizona concedes to California all her present perfected rights," and fail to define what those present perfected rights are, is no division of water at all. There has never been a time when California would put down upon paper a division of water in acre-feet as contemplated by the Boulder Canyon project act.

Mr. DILL. Does the Senator think that California is prepared to use all of the 4,400,000 acre-feet at once?

Mr. HAYDEN. I do not think there is any doubt about that. The Imperial Valley alone claims it can use over 4,000,000 acre-feet on its great irrigation schemes. That is the point where the controversy arises within the State of California. When it came down to the point where that State was to be limited, where it was not to be wide open, so that every project in the State could get all the water it wanted and get it first and get it with money appropriated out of the Federal Treasury to

bring about the development, then when there had to be a shortage either for the cities on the Pacific coast which want a large part of the water, a shortage that might possibly result in cutting down the area of land under the great all-American canal scheme, to which the people under both projects violently objected. So, the Californians had much trouble among themselves. If the total amount of water was fixed then the next question within the State of California was, Who shall take the cut? Must the reduction be made against Los Angeles and the other municipalities, or must the reduction be made against the irrigated areas in Imperial and Coachella Valleys?

Mr. DILL. Mr. President, I want to say to the Senator that I do not wish to vote for any appropriation that will foreclose Arizona's rights or prevent her securing her rights; but, as I understand the Senator, until the all-American canal is built there is no possibility, I think it is fair to say, of California taking more than 4,400,000 acre-feet for beneficial use.

Mr. HAYDEN. Of course, it will require the construction of great irrigation works to use that much water.

Mr. DILL. I say until that is done there is not any danger of that right applying, even though they went ahead and built the dam.

Mr. HAYDEN. The claim of California is that her right to use practically all of the water in the Colorado River dates back to the time at which the notice of intention to take the water was given, and that such notice had been given years ago. The Californians will assert that this appropriation of money by Congress will keep that right alive.

Mr. DILL. As to the latter statement, these appropriations of money have nothing to do with California's original rights.

Mr. HAYDEN. If the Congress of the United States would appropriate a like sum of money for use on the Arizona side of the river, and the two developments went right along side by side, they might be considered as upon a parity; but what the Californians are asking is not only that this water be impounded at the expense of the Federal Government and saved for them but that the great works necessary to make the appropriation finally valid shall be constructed with funds provided from the Treasury of the United States.

Mr. DILL. I understand that; but until the all-American canal is built California is not going to get any 4,000,000 feet of water. She can not use 4,000,000 feet of water, as I understand, excepting by the all-American canal.

Mr. HAYDEN. That will be the principal use.

Mr. DILL. She can not pump any such amount of water over the mountains.

Mr. HAYDEN. The plan is to pump a little over a million acre-feet over the mountains to the vicinity of Los Angeles.

Mr. DILL. Yes.

Mr. PITTMAN. Mr. President, I think that is a very interesting point. While I have attempted to be neutral between Arizona and California in this matter, I think possibly I have been with Arizona more than with California in this debate.

The question raised by the Senator from Washington [Mr. DILL] is quite pertinent. The present canal supplying Imperial Valley is limited in the amount of water it will carry. In fact, it will carry just enough water now for the irrigation of the present irrigable land in Imperial Valley and the land in Mexico which must be irrigated from the same water.

It is perfectly evident that the amount of water that may be consumed in California from the Colorado River can not be greatly increased without the building of the all-American canal, because the very plan of building an all-American canal takes in a higher canal and laterals, so as to place under cultivation a lot of mesa or bench lands which could not be cultivated from the present canal.

If it appears to Congress that California is acting unjustly with regard to entering into an agreement with Arizona and Nevada, the time to raise that question is when an appropriation is asked that will appropriate the water.

As far as this appropriation goes, it is solely for the purpose of instituting the building of Boulder Dam. The building of Boulder Dam and the creation of a reservoir would not make available any particular amount of water for California without the all-American canal.

Therefore, I say that as this dam serves the purpose of impounding waters that threaten the destruction not only of Imperial Valley but a large part of the western portion of Arizona, we ought to be glad to have that dam built because the building of the dam itself can not threaten the use of any great quantity of water by California without the building of the canal, which is a separate project, and for which no appropriation has been asked at the present time. Therefore, we have to have some dam there.

As to the appropriation that we are going to make, whether it be for a 585-foot dam or whether it be for a 100-foot dam, and whether it be purely a flood-control dam or whether it be incidentally a power and irrigation dam, the fact remains that a dam is going to be built there. A dam could be built there by the Government without the consent of any State, and it is its duty to build it; and the appropriation now provided for merely provides the preliminaries to the building of some dam.

Mr. HAYDEN. Then I am to understand from the Senator from Washington [Mr. DILL] and the Senator from Nevada [Mr. PITTMAN] that when the first appropriation is submitted to Congress, through the Budget, to commence the construction of the all-American canal, that will be the time to again tell the Senate the story about a proper division of water between Arizona and California; that I am then to make this fight over again?

Mr. PITTMAN. I think the Senator will have a whole lot more support then than he could possibly have now, when it is not material.

Mr. DILL. I want to say to the Senator that I think the argument that California rights would attach would be far more pertinent then, and far more effective then, than it is at this time.

Mr. HAYDEN. Permit me to point out that the Californians do not agree with that theory at all. Their position is that by cooperating with the Federal Government in the expenditure of money for surveys, investigations, and so forth, the actual appropriation of this water when the all-American canal is finally constructed will date back to the very first time that they posted a notice on the river bank; so, if there is any force in that, we should resist in this bill, and in every other bill, the appropriation of one cent of money for that purpose.

As I said, the Californians could not agree among themselves as to how their fair share of the Colorado River water should be divided. I ask to have included in the RECORD an editorial from the Los Angeles Times of February 4, 1930, which very clearly shows the differences between the Imperial irrigation district and the city of Los Angeles and the Metropolitan Water District on this subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

WHERE THE TROUBLE IS

Where the trouble has been in the California delegation to the Colorado River conference of lower-basin States is made plain by the result of the meeting at El Centro, where a demand was framed that Imperial, Coachella, and Palo Verde Valleys be guaranteed 4,400,000 acre-feet of the waters of the Colorado River, or practically the whole of California's share. This demand, dictated by Mark Rose and his political satellites, would be enough to wreck any conference, and if it is persisted in means serious danger, if not destruction, to the whole Colorado River project.

It is highly unlikely that this absurd demand is backed by the genuine sentiment of the majority of the sensible people of the Imperial Valley. Mark Rose, a director of the Imperial irrigation district, is quoted as saying characteristically that he would rather see the construction of Boulder Dam postponed indefinitely than yield an acre-foot of this water to any other portion of the State.

What Rose and his like are likely to see in that event is a good deal more than 4,400,000 acre-feet of water in Imperial Valley remaining there permanently and covering the whole area. This is a practical certainty if the construction of Boulder Dam or some other flood-control work is "postponed indefinitely," since the control of the Colorado by levees has its limits, and these are being approached rapidly.

Los Angeles and her sister cities of the Metropolitan Water District are asking only for a comparatively modest allocation of domestic water. To speak plainly, however, since the great bulk of the money to build Boulder Dam will have to come from Los Angeles if it comes from anywhere, this city is in a better position to issue ultimatums than are Mark Rose and the small part of Imperial Valley which he represents.

The Metropolitan Water District can not come before the people of the coastal plain of Southern California asking for the bond issue necessary to finance an aqueduct, or the city can not ask for public financing of a power plant and transmission line—on which two issues the dam project is contingent—if all the water it can possibly get is the 800,000 acre-feet from a theoretical surplus which would remain after the Imperial Valley's demanded 4,400,000 acre-feet is taken care of. The Metropolitan Water District will eventually require something over 1,000,000 acre-feet annually, and it might well take a chance on getting part of it from surplus. It is obvious that it would not be justified, however, in financing the project unless most of this requirement is guaranteed.

The ridiculous unreasonableness of the stand of Rose and Pound can be seen by a glance at the requirements of the present irrigated area. This amounts to 430,000 acres in Imperial Valley, 15,000 in Coachella Valley and 32,000 in Palo Verde Valley, or 477,000 acres in all. During 1928, the last year for which the district's irrigation

figures are available, there actually was applied to this land 4.05 feet of water per acre, or a total of 1,931,850 acre-feet. Assuming 2,000,000 acre-feet as the present demand, Rose and Pound are asking for a guarantee of 220 per cent of this as an absolute minimum! Irrigation engineers declare that 4.05 acre-feet per year is a high figure and that 3.5 is about what Imperial Valley land should have, allowing for wastage.

When the All-American Canal scheme was first broached in 1919 the very liberal estimate was made that it was possible to irrigate 895,000 acres, under full development of the Imperial, Palo Verde, and Coachella Valleys and including the East Mesa lands, development of which by most people is regarded as chimerical. These 895,000 acres would require at the 1928 rate of consumption 3,624,750 acre-feet of water and leave a surplus of 875,250 acre-feet if the district had 4,400,000 available. Rose and his cohorts, to justify their demand for this amount, now declare it may be possible to irrigate 1,175,000 acres, which undoubtedly is an absurd overstatement. This would require 4,758,750 acre-feet at the 1928 rate.

In their gross exaggeration of their probable future needs—a common error of irrigation districts—the Rose-Pound obstructionists ignore that fact that, in the past few years more than 40,000 Imperial Valley and 12,000 Palo Verde Valley acres have gone back to desert after being cleared, leveled, and put under ditch. This tremendous economic waste—it costs an average of about $60 to put an acre under irrigation—has been due to improper drainage facilities, high cost of cultivation due to district mismanagement and a variety of other factors. At present, therefore, it appears that, so far from having vast areas of arable but arid land whose owners are ready and eager to put it under cultivation, the Imperial irrigation district is not even irrigating all the land which has been prepared for the purpose.

The Rose demand is further absurd because in all water-supply projects domestic use has priority over irrigation use. The California coastal plain, therefore, has two perfectly valid reasons for insisting upon a fair share of water; first, because it will put the water to its highest use, and second, because it will have to pay practically all the bill for the dam.

It is useless to attempt to provide in detail for circumstances more than 50 years in the future, since no one can possibly tell what conditions will be then. What is needed is to settle to-day's problem to-day. The fact is, that in all human probability, there will be plenty of water for everybody for the next 50 years and the quarrel about allocations is about the possible pinching of a shoe some time in the 1980's—in other words, a quarrel about nothing of present interest.

Rose and his followers also pretend to believe that the prime interest of the Los Angeles district is in power, just as they ignore that their own prime interest is in protection from floods. The fact is that Boulder Dam power at 1.65 mills per kilowatt-hour is about 25 per cent higher than the cost of power produced on the seaboard and that Los Angeles would be money in pocket by letting the Boulder power go to other buyers if any can be found.

The primary concern of the seaboard is in getting water for domestic use; the primary concern of Imperial Valley is flood control. To get water, Los Angeles is willing to pay more for power than it is worth and let Imperial Valley get flood control as a by-product, for which, incidentally, Imperial Valley will not only pay nothing, but will be relieved of its present burden of levee maintenance besides.

Los Angeles might possibly get water elsewhere, but Imperial Valley can not get flood control elsewhere. It is Imperial Valley and not the seaboard that will benefit most in the bargain that has been proposed and to which Rose and Pound object.

The Times is aware that its enemies in the valley and elsewhere will endeavor to construe this statement as one unfriendly to Imperial Valley and its irrigation needs. As a matter of fact, every possible interest of the valley, even to its very existence, depends on an attitude which will help make possible quick and united action for river control and conservation. The Times and everyone else wants Imperial Valley and all other parties at interest to get everything to which they are legitimately entitled. The history of years of river conferences has sufficiently shown that when any party to the negotiations tried to hog more than its share a deadlock follows, nothing at all is accomplished, and everybody suffers.

Mr. HAYDEN. I also ask leave to have printed in the RECORD the California proposal at the meeting in Phoenix and the Arizona reply to that proposal.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

CALIFORNIA PROPOSAL MEETING AT PHOENIX

PHOENIX, ARIZ., *February 8, 1930.*

California, anxious to make one more effort to bring about an agreement, makes the following proposal for the division of the waters of the lower Colorado River system:

To Nevada, 300,000 acre-feet of water.

Utah and New Mexico to have all water necessary for use on areas of those States lying within the lower basin.

Arizona to have all waters of the Gila System and her other tributaries, excepting such water as reaches the main stream, also her present uses from the main stream.

California to have water now diverted in California, within the State, for agricultural and domestic use in California.

Balance of water in main stream to be divided one-half to Arizona and one-half to California.

Mexican obligations to be met one-half by Arizona and one-half by California, from main-stream water.

All other points to be left to determination of the Secretary of the Interior, under the act.

CALIFORNIA COLORADO RIVER COMMISSION,
JOHN L. BARNS.
W. B. MATHEWS.
EARL C. POUND.

To Col. W. J. DONOVAN,
Chairman Lower Basin Conference.

ARIZONA'S ANSWER TO THE CALIFORNIA PROPOSAL AT PHOENIX

California's proposal for water division, presented yesterday, considered apart from the reference to revenue and power, in one important respect represents a distinct advance over any authoritative proposal heretofore presented to us by the California commission; namely, it approaches the problem with a suggestion that Arizona have her tributaries and the Gila, and that water division be confined to main-stream waters.

But the proposal is immediately clouded and rendered impossible by California's insistence that any compact dividing the water must not deal specifically with quantities or classes of water; in other words, must not indicate what water is to be received by each of the two States.

The Colorado River compact and the project act deal with specific quantities of water, which was true also of the findings of the upper-basin governors at the Denver conference in 1927. From Arizona's standpoint, it is essential that any compact making a division of water shall deal specifically with classes and quantities of water so that no uncertainty may be left as to the actual meaning and effect of any division agreed upon.

The phrase "California to have water now diverted in California for agricultural and domestic use in California" obviously is open to many interpretations. California's Colorado River Commission suggested that the actual public records of diversions from the Colorado River for the past two years be taken as the proper interpretation. The conference was advised that these diversions were approximately 3,000,000 acre-feet. Upon further discussion they suggested 2,850,000 acre-feet as a figure in interpreting the foregoing phrase. Applying this figure to a flow of the river available for the lower basin States of 7,500,000 acre-feet, the water would be divided as follows:

California, 4,900,000; Arizona, 2,300,000; Nevada, 300,000.

With 8,500,000 acre-feet available, the division would be as follows: California, 5,400,000; Arizona, 2,800,000; Nevada, 300,000.

With the above minimum flows of the main stream available for division in the lower basin, California would receive, under her proposal, vastly more water than is allocated to them under the Boulder Canyon project act.

At the Denver conference in 1927, California claimed her uses to be 2,159,000 acre-feet. Applying that figure to California's present proposal, the water would be divided as follows:

California, 4,555,000; Arizona, 2,645,000; Nevada, 300,000 for a flow of 7,500,000 acre-feet, and California, 5,055,000; Arizona, 3,145,000; Nevada, 300,000 for a flow of 8,500,000 acre-feet.

In Los Angeles last fall, California claimed her uses to be 2,335,000 acre-feet. Applying that figure to the present water proposal, the division would be as follows:

California, 4,640,000; Arizona, 2,560,000; Nevada, 300,000, and California, 5,140,000; Arizona, 3,060,000; Nevada, 300,000 for flows of 7,500,000 and 8,500,000 acre-feet, respectively.

Coupled with this last water proposal is the provision "all other points to be left to determination of the Secretary of the Interior under the act." This, California states, is not related to water, but covers the revenue provisions and allocation of power. California refuses to separate this from their water proposal. The allocation of power and the revenue features to be discussed between the States should be taken up after the water agreement; the two can not be discussed together. We would not be willing to trade one against the other. Moreover, the revenue provision and the allocation of power involves the interests of States other than California and Arizona, and the water division, it is conceded by all of the basin States, is a matter solely between Arizona and California.

Mr. HAYDEN. The chief advance made at the Phoenix conference was that the California commission at last agreed to what their governor had conceded three years before—that Arizona should have the water of her tributaries. They wound up their proposal, however, by asking that all matters aside

from water be left to decision by the Secretary of the Interior; and upon that particular rock the conference broke up.

At all of these conferences the lower basin States have been favored by having present a very able lawyer, a very distinguished man, as the representative of the Federal Government. I refer to the former Assistant Attorney General of the United States, Col. William J. Donovan. He has attended these conferences and devoted weeks and months of his time to the subject, wholly without compensation. Even his expenses have not been paid. Out of a sincere desire to render a public service Colonel Donovan has attended these meetings, and has done everything that it was humanly possible for any one to do to bring the three States together.

I asked the colonel to appear before the Senate Committee on Appropriations a few days ago, and to state the present status of this controversy. I commend to any one, who desires to know just what the facts are, the statement made at that time by Colonel Donovan, which appears in the printed hearings, now available to the Senate.

Colonel Donovan, as the Federal representative, made a report to the Secretary of the Interior. I have here a copy of that report, and I ask that that be included in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

FEBRUARY 14, 1930.

Hon. RAY LYMAN WILBUR,

The Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: I am inclosing a memorandum of events of the recent conferences held at Reno and at Phoenix. It is devoid of rhetoric or of characterization. It is simply a bare summary of what transpired, although I think you were fully advised of events from day to day.

Sunday, February 9, I wired you as follows:

"The new California water proposal, which really offered basis for settlement, ruined by being conditioned on all other matters being submitted to Secretary of Interior. When all States objected, then California could not agree whether it should be eliminated. She had terrific fight in own ranks last night and this morning looked hopeless. At once called meeting of all States and situation saved. Finally I suggested that further action be deferred until I talked with you. This agreed to. Am on way east, and will call you in Washington Thursday. This conference has resulted in certain definite gains.

"The gains that I mentioned are these:

"(1) That there now exists an entirely different attitude toward the administration and toward the Department of Interior. This is evidenced by the willingness of all the States to come to Washington and sit down during the process of negotiations to discuss with the Interior Department questions that may need interpretation or explanation.

"(2) That it has been clearly developed that the real difficulty lies in the internal differences in California, and that before California can negotiate as a State she must solve those internal differences.

"(3) That on the division of water a very definite advance has been made, in that for the first time there is full recognition by California that the Gila and other tributaries of Arizona must be excluded. Arizona stated that upon this basis there is real hope for a determination of this question.

"(4) That while there will be differences of opinion as to power allocation and certain other features pertaining to charges for domestic water, it is evident that the spirit in approaching those problems could be greatly improved as soon as the water question is settled; that there should not be any restraint on a full discussion of these problems, even though ultimately many of the questions involved should not be embodied in a compact. Arizona has indicated her willingness to deal with the question of power in what she describes as a perfectly reasonable and businesslike method."

The question has been raised about the intervention of Utah and New Mexico. It must be borne in mind that those States for certain purposes are lower basin States. In point of fact from a legal standpoint to avoid any question, once the matter of water is decided upon by Arizona and California and Nevada, it is considered necessary by all parties that sanction must be given to this by Colorado, Utah, and New Mexico, because of the possible effect the Mexican burden might have upon the upper States. This could be done either by approval at the foot of the document or by an actual joining in the compact.

Therefore, while at first glance three weeks' negotiation would seem a waste of time, and although the conference was saved from disruption on several occasions only by a hair, in truth it was agreed by all present that there was a better mutual understanding and a closer drawing together of the States. This, in my opinion, warrants a further attempt at settlement, and I believe that the point has now arrived when that could be best accomplished at Washington.

Respectfully,

WILLIAM J. DONOVAN.

On the opening day of the conference at Reno it was asked by California if Arizona desired to proceed upon the principle of exchange of water for revenue. This suggestion was made because of the belief that Arizona was more concerned with revenue from the project than she was in the division of water. Arizona, however, stated that she considered the vital question to be that of the division of water, and that so far as revenue was concerned she was prepared to take her chances with the other States. Arizona further stated that since the very threshhold of the problem was the division of water and if there could be no agreement upon that there could be no agreement at all, she deemed it essential that the water question be first determined. While California contended that in her view it was important to consider all questions together, she acquiesced in the suggestion of Arizona and the conference proceeded accordingly.

The following proposal was first submitted for discussion. While not a definite proposal it may fairly be said to have expressed the California viewpoint:

1. Water physically present in lower basin system to be divided as follows:

(a) Nevada, 300,000 acre-feet.

(b) Deduct for present irrigated acreage in both States.

(c) Balance of water to be divided equally between Arizona and California.

(d) Mexican demand to be satisfied first from water flowing across international boundary line. Remainder of lower basin obligation to be supplied 50-50 by Arizona and California.

2. Gila and its tributaries to be Arizona's. To be fully protected. To be subject neither to Imperial burden nor to Mexican allocation. However, to be a charge against Arizona on Arizona's share of the water in the lower-basin system.

Arizona at once objected to this suggestion, pointing out that it was based upon the principle of dividing the waters present in the system of the lower basin including a charge upon Arizona of the waters of the Gila and its other tributaries. Arizona asserted that the true principle should be the division of the waters of the main stream; that any other method was vague and indefinite and that unless her tributaries were excluded Arizona could never accept a compact.

Then there was submitted the following proposal:

1. Gila and all Arizona tributaries out, except return flow.

2. From the main stream water following divisions to be made:

3A:	
A. California	4,400,000
B. Arizona	2,800,000
C. Nevada	300,000
3B: 1,000,000	50-50

Fifty-fifty main stream surplus.

Fifty-fifty Mexican burden—main stream.

Any shortage in main stream without preference or priority.

Reduction from Santa Fe and Washington, 200,000.

Arizona urged the adoption of this suggestion. It was pointed out that it followed the theory of compromise indicated in the Swing-Johnson bill that all discussions brought us back to such a compromise, and that its embodiment in the bill was the result of many weeks of discussion by the congressional representatives of the States concerned.

In order to reduce this proposal to figures a table was prepared and submitted to Arizona and California. This table was based on the assumption of engineers that 10,500,000 acre-feet of water would pass through Boulder Canyon Dam per annum. If that assumption were correct, then, it was said that there would be below the dam 9,400,000 acre-feet of water for diversion by all other interests except the Metropolitan Water District, which it was estimated would need 1,100,000 acre-feet at the dam.

The following schedule of diversions for the 10,500,000 acre-feet was suggested:

	3-A	3-B	Surplus	Total
California	4,400,000	500,000	1,000,000	5,900,000
Arizona	2,800,000	500,000	1,000,000	4,300,000
Nevada	300,000			300,000
	7,500,000	1,000,000	2,000,000	10,500,000

Assumed Mexican burden of 800,000 acre-feet divided 50-50 between Arizona and California.

On this set-up, this would leave diversions out of physical water present in the main stream, as follows:

	Acre-feet
California	5,500,000
Arizona	3,900,000
Nevada	300,000
Mexico	800,000
	10,500,000

Objection to this proposal was made by California upon the ground that it would not give California sufficient firm or title water for estimated future needs, and that Arizona was getting a much larger diversion than she could use profitably, consumptively, and beneficially in the next 50 years.

In answer Arizona replied that she, as well as other upstream States, had to protect her people against appropriation by a lower State; that the water unused would be available for California; and that even if used there would be for all time a return flow to the main stream.

All engineers who discussed the problem agreed that for the next 50 years there would be available 10,500,000 acre-feet of water or more, and that the only question would arise at the expiration of that period. It was said that if there is not available for 50 years or more 10,500,000 acre-feet for use in the above diversion, then it is of no use talking about building the dam, because power could not be generated to pay for building the dam and California could not take up the deficiency by a charge for storage of water to the Metropolitan Water District because the added price of storage and the cost of creating additional power at the dam site to pump the water over the hill to the Metropolitan area would make a prohibitive cost per acre-foot for water delivered in the Metropolitan area.

In order to bring these questions to a focus, a joint meeting was held by Arizona and California. At this meeting Senator PITTMAN was present. He stated to the conference that in his opinion unless agreement was reached there would be no appropriation for the dam and that the States concerned will be back where they were before the bill was passed. In this view Senator HAYDEN concurred.

During the course of this conference a telegram was received from Governor Young, which was read to the meeting. In this telegram Governor Young urged that no local interest be emphasized to the point of endangering agreement, but that the matter be considered from a broad, state-wide viewpoint.

A reply was made to this telegram, fully and frankly setting forth the situation. This telegram was submitted to each of the State commissions.

It was then felt necessary in order to avoid a break in the conference to take a recess. Upon the invitation of Arizona the conference was adjourned to Phoenix on Wednesday, February 5, at the request of California, who desired the opportunity of having meet together those of her people particularly interested in the division of water.

The conference was resumed on Thursday, February 6, at Phoenix. California at once submitted the following proposal:

"California, after mature consideration of the proposal submitted by Arizona for division of the waters of the Colorado River, feels constrained to reject the same, on the following grounds:

"(a) Such proposed division allows to California far too little water for its well-established requirements, and at the same time allots to Arizona much more water than is needed or can be put to beneficial use in that State.

"(b) Sound reclamation principles forbid an allocation of water in perpetuity to any State in excess of its requirements. Such excess can be of no benefit to the State to which it is given and is unavailable with title to another State needing it for proper development.

"California, however, is prepared to enter into a compact on the following basis:

"The use of the waters of the Colorado River system in the lower basin for agricultural and domestic purposes shall be divided, 300,000 acre-feet per annum to Nevada, the balance of the water physically present at any time equally between Arizona and California; any water necessary to make up a physical shortage of water to those parts of Utah and New Mexico in the lower basin and the Republic of Mexico to which they or it have actual need or legal right shall be furnished equally by Arizona and California."

To this Arizona formally replied:

"The proposition now made by California means that California would get one-half of the waters of the main stream plus one-half of the waters of the Gila and the other Arizona tributaries. That is to say, in addition to 50 per cent of the main-stream water she would get out of the main stream enough more to represent one-half of the waters of the Gila and of the tributaries.

"Arizona from the first has tried to make it clear that we can not and will not discuss a division of our tributary waters or the water of the Gila. We have insisted and still insist that if any division of water is to be made it must be confined to water actually reaching and flowing in the main stream.

"Arizona has always conceded that any water from the Gila or her other tributaries reaching the main stream become main-stream water and subject to division, and has always based her proposals on that assumption."

Following this there was a discussion which disclosed that Arizona would not recede from her insistence upon the exemption of the Gila and her other tributaries. It developed also in the discussion that unless there was a definite division of water the engineers in the particular State concerned would make their own computations of the water in the stream under the California proposal, with resultant confusion and possible litigation; that in addition there was danger that the people themselves would ultimately feel that such a division was lacking in a frank disclosure of the true situation. It was then asked if the net result of the various proposals and their rejection was to be a deadlock. The reply was made that such was not the case and an endeavor would be had to present a new set-up of the water division.

On the following day, Friday, February 7, the States of Utah and New Mexico, through their representatives, W. W. Ray and Francis C. Wilson, respectively, presented their views and suggested the following allocation of the power to be generated at Boulder Dam.

On the basis of 650,000 firm horsepower—

	Horsepower
To California	200,000
To Arizona	175,000
To Nevada	175,000
To Utah	50,000
To New Mexico	50,000

All at 1.75 mills per kilowatt-hour. The power allocated to be used, sold, or otherwise disposed of by the State or its agency either within or without the State of allocation, each State or its agency to be given not less than 90 days from the date when a State is notified by the Secretary of the Interior to present applications with guarantees satisfactory to him for the fulfillment of any contract which shall be entered into by the Secretary of the Interior with the applicant, and in default of any such application with sufficient guarantees within the time limited, then the Secretary of the Interior shall offer the allocation at a price of not less than the 1.75 mills per kilowatt-hour; and in the event of the sale of such unappropriated allocations the successful applicant shall purchase the power subject to the right of the State or its agent to which the original allocation has been made to recapture the same after 15 years succeeding the date of the completion of the project, upon notice to the contractee of such intention, giving to the latter one year from the date of such notice to surrender the power. As to the contractee for capital investment, the recapturing State shall pay to the contractee such reasonable compensation as may be agreed upon, or in default thereof, then the recapture provisions of the Federal water power act as now in effect shall control.

Mr. Ray, for Utah, and Mr. Wilson, for New Mexico, presented detailed data as regards the economic application of the power within the State of Utah, and in the future when transmission methods are perfected more than at present, within New Mexico, arguing that those States are entitled to their share of the power for the upbuilding of their own industries.

Mr. Wilson went at length into advantages which would accrue to agricultural interests throughout the United States from the use of firm and excess power at Boulder Dam in the production of nitrates for fertilizer at prices considerably below those at which these products are now available anywhere in this country, bringing a reduction in present costs of from one-third to two-thirds, depending on firm horsepower or excess horsepower, of the cost of electricity elsewhere in the United States for the production of fixed nitrogen.

He also went into the possibilities of the electrochemical industry, supporting his statement by detailed figures indicating lower prices than those prevailing in Niagara Falls area to-day. Ray, of Utah, presented forceful argument for the development of Utah resources with cheap power within an area for transmission less than the distance to power centers in California, and made a plea for the development of his State by the use of power from Boulder Dam.

In the afternoon a conference was held between Arizona and California, at which time Arizona presented the following statement:

"Arizona is not at this time making any statement in regard to the allocations of power and the revenue-producing features of the act, for the reason that we deem it necessary for the ultimate success of this conference that water division be disposed of first. We have been much interested in the able addresses made this forenoon by Messrs. Wilson and Ray, and in the main we concur in the substance of these addresses.

"It might, however, be helpful if we again restate Arizona's position with reference to the power allocations and revenue features. We believe that the purpose and intent of the Boulder Canyon project act contemplates a compact between Arizona, Nevada, and California with reference to the benefits to be derived from the project by Arizona and other States.

"We believe also that it is within the contemplation of the act that an agreement between the States shall be binding upon the Secretary, when approved by Congress, and shall control him in the administration of the act. We want at this time to state that when we come to the discussion of these questions in their due order, Arizona's plan of solution will be fair, reasonable, and we hope will appeal to the business judgment of those to be financially interested in the project, to the end that it may be a financial success."

Thereupon it developed that there was some divergence of views between California and Arizona as to the power of the conference to enter into an agreement with regard to the power allocations and revenue features of the act which would be binding upon the Secretary of the Interior and, when approved by Congress, would control him in the administration of the act.

Arizona then declared that she was prepared to continue the negotiations if there were any hope or expectation of an agreement being reached. She stated, however, that in her opinion it was useless to continue negotiations if California felt at this time that she was not in a position to enter into a compact. Arizona said further that if

California would frankly state that she was not prepared to go forward, Arizona was ready to terminate the entire proceedings.

It was then suggested that California should face the situation frankly and determine whether there could be a reconciliation of the divergent views in her State—whether as to power or as to water—and then to appear the following day and state exactly what she purposed doing. California said she would have a meeting of her own delegation and be able to report at a full meeting the next morning.

On Saturday, February 8, at California's suggestion, a conference was held between the States of Arizona and California. At this conference California submitted the following proposal:

"California, anxious to make one more effort to bring about an agreement, makes the following proposal for the division of the waters of the lower Colorado River system:

"To Nevada, 300,000 acre-feet of water.

"Utah and New Mexico to have all water necessary for use on areas of those States lying within the lower basin.

"Arizona to have all waters of the Gila system and her other tributaries, excepting such water as reaches the main stream, also her present uses from the main stream, within the State.

"California to have water now diverted in California for agricultural and domestic use in California.

"Balance of water in main stream to be divided one-half to Arizona and one-half to California.

"Mexican obligations to be met one-half by Arizona and one-half by California from main-stream water.

"All other points to be left to determination of the Secretary of the Interior, under the act."

There was discussion as to its meaning. California said that she had endeavored to avoid figures in the belief that there was sufficient water in the river and that by avoiding figures each State would be able to get sufficient water for its needs. To this Arizona replied that while it was desirable to avoid figures, it would not seem possible to escape their consideration; that in order to see the effect of this proposal upon both States it was necessary to start with the actual use of water from the main stream by the respective States. After considering the problem it was felt that upon that basis she would be getting much less water than the Swing-Johnson bill contemplated or that she would have under the former proposals of California.

There then arose the question as to the concluding sentence of the proposal, which was: "All other points to be left to the determination of the Secretary of the Interior, under the act."

California was asked if she would eliminate that clause so that water would be considered alone. California felt that she could not do so. Arizona then suggested that in view of the fact that it involved considerations other than water she would have to talk with the other States concerned. California withdrew and the other States appeared, and after some consideration by them, California returned and then each State in turn—Nevada, Utah, and New Mexico—stated that they would not accede to such a condition, and Nevada and Arizona stated that they would not sign a compact which did not deal with power as well as with water. Recess was then taken.

On Sunday, February 9, an open meeting was held of all the States. The chairman then announced that it would appear we had all reached the moment when there could be no further discussion; that this being so, he had prepared a chonological summary of events; that this was bare of rhetoric and of characterization; that it did not undertake to blame anyone for failure, that perhaps failure lay in the inherent nature of the problem; that in the event one State had its internal problems it was not so much a matter of criticism as of sympathy; that all States had experienced such difficulties and could understand their existence; that this was a serious moment for the destiny of the Boulder Dam project act and for the entire Southwest; that it might be that it was insoluble; that, of course, it was absurd to say that it should have been disposed of quickly.

After so many years of controversy it was impossible to drain out the poison of disagreement, distrust, and suspicion in a few months. But that it was hoped that time and patience were fighting on the side of common sense and of common interest and that they indicated a speedy determination; that, however, if both time and patience had been exhausted it was better to stop now while the relationship among the commissioners was friendly and pleasant. The chairman then asked California if she had any statement to make, to which she replied she had not, and then he asked for her reply to questions from other members of the conference as to whether she intended making any statement to the press. California replied that she had not decided, but if she did so she would, of course, give copies to the other members of the conference.

Thereupon the chairman asked Arizona if she had any statement to make. She replied by submitting the following, which I read to the conference:

"California's proposal for water division, presented yesterday, considered apart from the reference to revenue and power, in one important respect represents a distinct advance over any authoritative proposal heretofore presented to us by the California commission, namely, it approaches the problem with a suggestion that Arizona have her tributaries and the Gila, and that water division be confined to main-stream waters.

"But the proposal is immediately clouded and rendered impossible by California's insistence that any compact dividing the water must not deal specifically with quantities or classes of water; in other words, must not indicate what water is to be received by each of the two States.

"The Colorado River compact and the project act deal with specific quantities of water, which was true also of the findings of the upper basin governors at the Denver conference in 1927. From Arizona's standpoint, it is essential that any compact making a division of water shall deal specifically with classes and quantities of water so that no uncertainty may be left as to the actual meaning and effect of any division agreed upon.

"The phrase 'California to have water now diverted in California for agricultural and domestic use in California' obviously is open to many interpretations. California's Colorado River Commission suggested that the actual public records of diversions from the Colorado River for the past two years be taken as the proper interpretation. The conference was advised that these diversions were approximately 3,000,000 acre-feet. Upon further discussion they suggested 2,850,000 acre-feet as a figure in interpreting the foregoing phrase. Applying this figure to a flow of the river available for the lower basin States of 7,500,000 acre-feet, the water would be divided as follows:

"California, 4,900,000; Arizona, 2,300,000; Nevada, 300,000.

"With 8,500,000 acre-feet available, the division would be as follows:

"California, 5,400,000; Arizona, 2,800,000; Nevada, 300,000.

"With the above minimum flows of the main stream available for division in the lower basin, California would receive under her proposal vastly more water than is allocated to them under the Boulder Canyon project act.

"At the Denver conference in 1927 California claimed her uses to be 2,159,000 acre-feet. Applying that figure to California's present proposal, the water would be divided as follows:

"California, 4,555,000; Arizona, 2,645,000; Nevada, 300,000, for a flow of 7,500,000 acre-feet; and California, 5,055,000; Arizona, 3,145,000; Nevada, 300,000, for a flow of 8,500,000 acre-feet.

"In Los Angeles last fall California claimed her uses to be 2,335,000 acre-feet. Applying that figure to the present water proposal, the division would be as follows:

"California, 4,640,000; Arizona, 2,560,000; Nevada, 300,000; and California, 5,140,000; Arizona, 3,060,000; Nevada, 300,000 for flows of 7,500,000 and 8,500,000 acre-feet, respectively.

"Coupled with this last water proposal is the provision 'all other points to be left to determination of the Secretary of the Interior under the act.' This, California states, is not related to water, but covers the revenue provisions and allocation of power. California refuses to separate this from their water proposal. The allocation of power and the revenue features to be discussed between the States should be taken up after the water agreement; the two can not be discussed together. We would not be willing to trade one against the other. Moreover, the revenue provision and the allocation of power involves the interests of States other than California and Arizona, and the water division, it is conceded by all of the basin States, is a matter solely between Arizona and California."

At the conclusion of its reading Commissioner Ward, of Arizona, stated that he desired to supplement that by an oral statement. In effect this was a return to the so-called "yellow sheet," which was identified as the result of a conference between Mr. Heffner (an interested but unofficial member of the California delegation), and Mr. Ward, of Arizona, and which it was understood was acceptable to both California and Arizona, which so-called "yellow sheet" was an extension in figures of the principle set forth in a proposal made at Reno, in which there had been a division of the waters in the main stream on the basis of 4,400,000 acre-feet to California, and 2,800,000 acre-feet to Arizona.

Nevada made a statement through Mr. Thomas Cole, in the following language:

"Without commenting one way or the other upon the merits of the compromise proposals exchanged between Arizona and California, we are of course regretful at the inability thus far of these two States to develop the attitude of flexibility so necessary to settle their differences over the division of water and thereby to make it possible for Arizona to feel that she may with safety enter the Colorado River compact which all of the seven States save her alone have now signed.

"We regret the failure of the Imperial Valley and adjacent territory on the one hand and the Metropolitan Water District and the city of Los Angeles on the other to agree on how to divide the water between themselves. That in the end California will succeed in reconciling her internal differences scarcely admits of doubt. She has too much at stake to do otherwise—silt and flood control, the all-American canal on money advanced by the Government and reimbursable without interest, water for the extension of irrigated areas and for the cities of her coastal plain, and power for pumping and other purposes. Indeed, it would be incredible, the period for reflection and internal adjustment past, that regional rivalries could be permitted to so dominate the com-

mon interest as to render the State itself impotent in the advancement of its welfare.

"The continued failure on the part of Arizona and California to agree may delay construction of the project, either through opposition to appropriations by Congress, or through litigation, or both. We refuse to believe that California, the original sponsor and chief direct beneficiary under the Boulder Canyon project act, because of dissensions within, will cause either frustration or delay. We believe that at a resumption of the sessions of the conference both States will be in a position to carry the present negotiations to a satisfactory conclusion."

In this statement Mr. W. W. Ray, for Utah, Mr. Francis C. Wilson, for New Mexico, concurred. The chairman then asked the wishes of the meeting. There was no willingness indicated by anyone to definitely break up the conference. The meeting was then recessed for 10 minutes and the chairman held conferences with the individual States, and as a result when the meeting resumed the following suggestion was made by Mr. Cole: That the meeting should recess subject to the call of the chairman; that the chairman should get in touch with the Secretary of the Interior with a view of determining a course of action. In this view all present concurred and the meeting recessed with that understanding.

Mr. HAYDEN. Any reasonable person who will read the report made by Colonel Donovan, as Federal representative, can not fail to come to the conclusion that the State of Arizona has in fairness and in all good faith, endeavored in every possible way to come to a satisfactory solution of the controversy with the State of California, and has at no time sought to depart from the intent and purpose of the Boulder Canyon project act. It is for that reason, Mr. President, that I have offered this amendment. I offer it in a sincere desire to see the Congress insist that California shall carry out the intent of the act of Congress known as the Boulder Canyon project act, which was in respect to a division of water drafted upon the floor of the Senate according to an agreement which finally resulted in the passage of that act.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. HAYDEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the folowing Senators answered to their names:

Allen	Fess	La Follette	Shipstead
Ashurst	George	McCulloch	Shortridge
Barkley	Gillett	McKellar	Steck
Bingham	Glass	McMaster	Steiwer
Black	Glenn	McNary	Stephens
Blaine	Goldsborough	Metcalf	Sullivan
Borah	Hale	Moses	Swanson
Brock	Harris	Norris	Thomas, Idaho
Broussard	Harrison	Oddie	Thomas, Okla.
Capper	Hastings	Overman	Trammell
Caraway	Hatfield	Patterson	Tydings
Connally	Hayden	Phipps	Vandenberg
Copeland	Hebert	Pittman	Wagner
Couzens	Howell	Ransdell	Walsh, Mass.
Cutting	Johnson	Reed	Walsh, Mont.
Dale	Jones	Robinson, Ind.	Watson
Deneen	Kean	Robsion, Ky.	
Dill	Kendrick	Sheppard	

The VICE PRESIDENT. Seventy Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment, which the Secretary will state.

The LEGISLATIVE CLERK. On page 44 to strike out the section beginning in line 18 and ending on line 14, page 45, and on page 45, line 15, after the words "secondary projects," insert "for cooperative and general investigations $1,000,000: *Provided*, That."

Mr. HAYDEN. Mr. President, it has been suggested to me during the progress of the roll call that in order to preserve the continuity of my remarks I should continue to discuss the subject until I have completed my statement. After that we may have a vote upon the pending and another amendment, which I shall offer later.

The VICE PRESIDENT. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, as I stated to the Senate, the situation as it exists to-day is just as California desired it to be—that is, there has been no agreement with respect to a division of the water of the lower Colorado River Basin as contemplated by the Boulder Canyon project act.

That act also contemplated an agreement among these States with respect to power. Such a compact is authorized in section 8 (b) of the act, which I shall not read in full but merely point out that it provides for an agreement among the lower-basin States for an equitable division of the benefits, including power.

I ask that the entire subsection be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SEC. 8. (b) Also the United States, in constructing, managing, and operating the dam, reservoir, canals, and other works herein authorized, including the appropriation, delivery, and use of water for the generation of power, irrigation, or other uses, and all users of water thus delivered and all users and appropriators of waters stored by said reservoir and/or carried by said canal, including all permittees and licensees of the United States or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of such compact, if any, between the States of Arizona, California, and Nevada, or any two thereof, for the equitable division of the benefits, including power, arising from the use of water accruing to said States, subsidiary to and consistent with said Colorado River compact, which may be negotiated and approved by said States and to which Congress shall give its consent and approval on or before January 1, 1929; and the terms of any such compact concluded between said States and approved and consented to by Congress after said date: *Provided*, That in the latter case such compact shall be subject to all contracts, if any, made by the Secretary of the Interior under section 5 hereof prior to the date of such approval and consent by Congress.

Mr. HAYDEN. Mr. President, it is reasonable to suppose that the States of Arizona and Nevada should seek to take advantage of this provision of the law. The power site at Boulder Dam is not in California; it is located in Arizona and in Nevada. It is a natural resource of the two States, just as much as oil or gas are a natural resource of California when found within that State.

In any negotiations with respect to power—and I must be frank with the Senate and say that there has been practically nothing accomplished on that point—the Arizona Colorado River Commission has accepted the conditions of the Boulder Canyon project act. It has never sought at any time to go outside of the terms or intent of the act. That commission has never sought to burden the project by any unreasonable charges. It has never made any demand for excessive revenue.

Arizona has always agreed that the United States should be fully reimbursed during each and every year in which repayments are to be made—first, for the annual amortization payments on the construction charge; second, for interest on the money invested in the project; third, for all operation and maintenance charges, and has agreed to reasonable payments into a reserve fund to meet emergencies. All legitimate and proper amounts annually due the United States should and must be first paid; but the State of Arizona, as provided in the act, in common with the State of Nevada, is entitled to an income from the excess earnings of the project. Arizona has asked that the power be sold at a competitive price so as to give to Arizona and Nevada the revenue which the act provides.

If any Senator will examine the statements I have inserted in the RECORD, he will find that the Arizona Colorado River Commission has sought to assure the operation of the Boulder Canyon project on the basis of reasonable charges for power. Arizona fully realizes that in recent years steam competition has reduced the opportunity for profit from the sale of the hydroelectric power to be produced at Boulder Dam. They have no exalted nor unreasonable ideas as to what the profits out of this development might be. They only ask that it be operated upon a businesslike basis, to produce for Arizona and Nevada the excess revenue as provided in the act, of which they are entitled to 37½ per cent.

In every instance when the commissioners representing the State of Arizona have sought to come to some fair understanding with California with respect to revenue or with respect to power, they have been met with the answer from the California Colorado River Commission, "Leave that to the Secretary of the Interior. Leave it to him. It is not a matter which we can discuss." They are willing to accept every other provision of the Boulder Canyon project act beneficial to them, but they utterly ignore the clear intent of the act that there should be some compact or agreement among the States with respect to power and other benefits.

It is perfectly obvious why California is willing to leave the entire subject of power to the Secretary of the Interior. He is a California Secretary of the Interior, appointed by a California President, supported by a California commissioner of reclamation. They know of what clay he is. California packed the mud to make him Secretary of the Interior, and, of course, they are willing to leave it all to him.

The California game with respect to any agreement about power has always been delay, delay, delay. California has always hoped and believed that during the delay the Secretary would finally make power contracts, and, when they were once

made, then they could say to Arizona, "There is nothing left to discuss with reference to that subject."

That is exactly what has happened because of the California refusal to negotiate with respect to power. The Secretary of the Interior has finally made a series of contracts, which are now the basis for this appropriation.

What kind of contracts are they? They have been very carefully analyzed and criticized in another body. A committee of the House of Representatives has found it necessary to see that they were amended before any appropriation could be made.

Let us not forget, Mr. President, that during all the discussion of the Boulder Canyon project act before the Senate those who advocated the adoption of that legislation held out to the country that Boulder Dam was to be a great demonstration of public ownership; that it was to be a Government dam, a Government power plant; that there were to be municipal transmission lines and the municipalities were to obtain the power and sell it to consumers direct. There was no private interest anywhere in the scheme as presented to Congress.

But what do we find in the contracts? They were examined very carefully by an eminent engineer, Mr. C. C. Cragin. Mr. Cragin is the general manager of the Salt River Water Users' Association in Arizona. He is the head of an organization of some 10,000 farmers on a United States reclamation project and is paid a salary of $20,000 a year, which is an indication of the kind of service he can render. He has supervised the expenditure of over $25,000,000 in the past 10 years in the construction of dams and hydroelectric power plants on Salt River in Arizona. He has made many power contracts and is thoroughly familiar with the details of such agreements. A statement from him appears in the hearings before the House of Representatives. I wish to read very briefly from it:

This contract purports to divide the firm energy generated at Boulder Canyon Dam between:

	Per cent
1. The States of Arizona and Nevada	36
2. The city of Los Angeles	13
3. Certain municipalities of southern California	6
4. The Metropolitan Water District of Southern California	36
5. The power companies of southern California	9

Due to certain practical considerations, resulting from conditions existing and to be expected, in reality this contract gives the southern California power companies an option on—

(A) A minimum of 27 per cent of the firm energy; (B) a maximum of 81 per cent of the firm energy; and (C) a probable option of 50–70 per cent of the firm energy.

And these power companies will be in a position to stifle competition in Arizona and Nevada, at least in so far as Boulder Dam power is concerned, and will have a material advantage as against any real competition in southern California, unless the city of Los Angeles has already protected itself by a separate contract or so protects itself in the future by agreement with the said power company in return for some additional benefit to the company.

Mr. Cragin then proceeds to show that a large part of the secondary energy generated under the project will go to the private power companies in addition to the firm energy.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Washington?

Mr. HAYDEN. Certainly.

Mr. DILL. The Senator is touching upon a point which I think extremely important, namely, that if the States, as I understand it, fail to take their allotted part of the power, the price at which the power companies will then be able to buy it will be lower than it would be if the States had taken it.

Mr. HAYDEN. No. I was under that impression myself at one time, but after reading over carefully what Mr. Cragin said I arrived at a different conclusion. The power companies in Southern California are allotted 9 per cent of the power produced at Boulder Dam and if the States do not take their allotment of power, 36 per cent—being 18 per cent to Arizona and 18 per cent to Nevada—then the power allotted to the States shall go to the private power companies and to the city of Los Angeles, but at the price for firm power. That part of the contract is perfectly clear. But once the power company has paid for its 9 per cent and the 18 per cent which comes from the States, or 27 per cent of the power, it is then eligible to purchase secondary power.

Mr. DILL. In addition to the 27 per cent?

Mr. HAYDEN. In addition to the 27 per cent, and so long as it pays for its 27 per cent of the power it can purchase other power, either firm or secondary, but is eligible to purchase secondary power only if it has purchased 27 per cent of firm power.

Mr. DILL. I had been told that the power became secondary power if it were not used by the States.

Mr. HAYDEN. It is not a question of whether or not it is used by the States. I think that what the Senator has heard about is another matter. There is also allocated 36 per cent of firm power to the municipal water district. They have a perpetual right under the contract to purchase from the United States 36 per cent of the firm power produced at Boulder Dam, but if they do not exercise that right it is the opinion of Mr. Cragin that the power allocated to the district then becomes available as secondary power. That is the 36 per cent of power which has been originally contracted for by municipal water district, but if not taken by the district becomes secondary power, which will permit the power companies to have very cheap power.

Mr. DILL. There seems to be a dispute, some claiming that it does not become secondary power except in cases where the power has been taken by the State or the municipality and then turned back to the Government, and that such power would then become secondary power because it might again be taken out by the original users. Am I to understand from the Senator that that becomes secondary power even though it was never really taken and used by the district contracting for it?

Mr. HAYDEN. Yes. The fact that it was contracted for by the district and not used by the district leaves it in the situation that it can be sold elsewhere. If the Secretary could find a market for it, he could sell that power to somebody else as primary power. But the only groups who we can logically expect to buy it are the city of Los Angeles and the private power companies. There are two provisions in the contract which authorize them to purchase the additional amount of power over their allotment at the secondary rate. In article 15, on page 19 of the power contract in the form as I have it here, I find this language:

The right of the district and/or lessee to take and pay for energy at the rate for secondary energy after discharge of such party's obligation to the United States to pay for energy at the rate for firm energy shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the rate for firm energy.

There is in article 18, on page 23 of the mimeographed contract form as I have it, another provision which reads:

All energy used during the month in excess of one-twelfth of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken.

In other words, if the city or the private power company completely fulfill their obligations to the United States for the purchase of primary energy, then the excess amount that they may buy above that may be taken as secondary energy.

Mr. DILL. There is a difference in the viewpoint of the Senator from Arizona and the Senator from Nevada on that point, is there not?

Mr. HAYDEN. I think the junior Senator from Nevada [Mr. ODDIE] is quite well convinced that the provisions of this contract relating to secondary power seriously menaces any probable income that may be realized by the States of Arizona and Colorado out of their share of excess revenues.

Mr. DILL. But the senior Senator from Nevada [Mr. PITTMAN] takes the other view, as I recall.

Mr. HAYDEN. I have not argued the matter out with that Senator. I am not conversant with his views on that point.

Mr. President, I ask leave to insert in the RECORD at this point a copy of the analysis of the secondary power made by Mr. Cragin and also a brief which is somewhat more intelligible to a layman, prepared by Mr. Charles B. Ward, chairman of the Arizona-Colorado River Commission.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The analysis of secondary power by Mr. Craigin is as follows:)

To the Congressional Representatives of the State of Arizona:

The following memoranda outline certain effects of the contract entered into April 26, 1930, between the United States and the Southern California Edison Co. and the city of Los Angeles. These memoranda indicate the uncertain revenues from this contract although they dwell more on those aspects of the contract which have to do with future competition for the southern California power market and the discrimination resulting from the provisions of said contract. The facts that show the contract to be only an option which binds the Government but not the lessees were covered in the hearing before the House subcommittee on appropriations May 19 and 20, 1930.

This contract purports to divide the firm energy generated at Boulder Canyon Dam between—

	Per cent
1. The States of Arizona and Nevada	36
2. The city of Los Angeles	13
3. Certain municipalities of southern California	6
4. The Metropolitan Water District of Southern California	36
5. The power companies of southern California	9

Due to certain practical considerations, resulting from conditions existing and to be expected, in reality this contract gives the southern California power companies an option on:

A. A minimum of 27 per cent of the firm energy.

B. A maximum of 81 per cent of the firm energy.

C. A probable option of 50 to 70 per cent of the firm energy.

And, these power companies will be in a position to stifle competition in Arizona and Nevada at least in so far as Boulder Dam power is concerned and will have a material advantage as against any real competition in southern California, unless the city of Los Angeles has already protected itself by a separate contract or so protects itself in the future by agreement with the said power company in return for some additional benefit to the company.

Furthermore, it will be shown that under the terms of this contract and on account of the large capacity in steam and coast hydroelectric plants, that the city and company will pay an average cost for all power far below 1.63 mills. In fact, in wet years when the district will obviously pump small quantities of water to the coast the average cost of all power from Boulder Dam to the company will be less than 1 mill, eliminating competition in the use of Boulder power in Arizona and Nevada.

In support of the above the following is offered:

A. Minimum option is 27 per cent.

(1) Nine per cent is allocated to the power companies. (See F, art. 14.)

(2) Eighteen per cent, or one-half the amount allocated to Arizona and Nevada, from a practical standpoint can not be used by these States because the companies can undersell them with Boulder Dam power on account of the companies receiving secondary power at one-half mill while the States will not be able to get this advantage.

(a) The States, from a practical operating standpoint, can not sell power on the assumption they can ever get any secondary power because it is subject to first call by the companies and the city, and their relatively large market will absorb it all when it is sold at such a low figure as one-half mill even if the United States desires to give the States a share of this secondary power.

(1) Page 17 under the heading "Of secondary energy," the district is allocated all secondary energy and "the city and the company shall each have the right to purchase one-half of all secondary energy not used by the district" and the company has the right to secondary energy not used by the city. The United States may dispose of it only if it is not taken by the company or the city. With fixed charges, unaffected by whether this secondary energy is taken or not, at one-half mill this can be delivered at Pacific coast points cheaper than fuel costs at present low rates for fuel. Thus with only a normal installation of generating capacity at Boulder Dam enough of this secondary could be taken to prevent the disposition of any practical amount by the United States. By "over installation" (explained later) of generating machinery at Boulder Dam none would be available for Arizona and Nevada.

(i) Page 11, last of article 12 provides for generation of secondary energy "not taken by the district or the lessees" (the company)—"Such secondary energy will be disposed of by the United States, subject only to the prior right thereto of the district or the lessees" (the company and the city).

This prior call on the secondary energy at one-half mill puts the company in a position to be able to undersell any agency which does not have this call. This is particularly true when the following is considered:

(1) In consideration of the condition that the company will pay for one-half energy not taken by States 18 per cent (i of art. 14); the company will pay for energy allocated to Southern Sierras Power Co., the San Diego Consolidated Gas & Electric Co., and the Los Angeles Gas & Electric Corporation.

(a) The amount of this allocation can not be considered, as it lies entirely between them and the company (under F of art. 14). Why should they contract firmly for this power with the United States when the company must guarantee the payment as a condition of having its allocation preserved? (iii of art. 14.) All of these companies' interests would be better preserved if the three companies above made a separate contract for energy with the lessee (the other power company).

Under the terms of this contract, in order to hold their allocation of 9 and 13 per cent, the company and city would only have to pay for the 36 per cent allocation of the States of Arizona and Nevada and 6 per cent allocated to the municipalities, or 42 per cent. On account of the size of the companies' and city's markets, they would arrive at this point long before the States could absorb 36 per cent of the firm energy and even be eligible to the secondary energy rate.

The United States can not dispose of the 36 per cent of firm energy allocated to the district if the district constructs its aqueduct and requires power for pumping water. There is a perpetual right to this allocation if they need it at any time in the future. If not used by the district on account of wet years on the coast or because of the use of off-peak power (i of art. 10) "after generating energy for the district to the full extent of the generating capacity which has been installed at the request of the district," it still remains as an allocation of the firm energy when needed by the district. In the meantime, it is available to the companies as secondary energy.

Upon completion, or shortly thereafter, there will be installed capacity, in steam and Pacific coast hydroelectric plants of the companies and city, in excess of the normal capacity at Boulder Dam. These plants, with the investment already made, can produce energy at a cheaper increment cost (increment cost is the cost per kilowatt-hour of producing additional kilowatt-hours in a plant already producing a portion of its capacity or available for the production of energy) than the Boulder Dam power at 1.63 mills can be delivered to Pacific coast points. It would, therefore, be business and economic folly to let any portion of these plants stay idle and purchase Boulder Dam energy beyond the minimum permitted under the contract except as follows:

(a) Emergency stand-by.

(b) Purchase of amount beyond minimum in order to receive secondary rate of one-half mill to the extent and in such years as to result in the lowest average cost of power from all sources.

To illustrate: When the companies' and city's load reaches 1,500,000 kilowatts, with a load factor of 62 per cent (approximately as at present), they will require eight and two-tenths billion kilowatt-hours per year. The companies and city are required to take 42 per cent of the firm plus 90,000,000 kilowatt-hours to preserve their allocation. They do not have to take their allocation. The only prohibition or penalty for not taking their allocation is that they may not receive power at the secondary energy rate of one-half mill until they have paid for as firm energy their allocation of 13 and 9 per cent, respectively, in addition to the above 42 per cent plus 90,000,000 kilowatt-hours in any one year (art. 18), coupled with the definition of firm energy in article 15 which defines it as a certain number of kilowatt-hours in a particular year, June to May, inclusive.

Then in a succeeding year under these two articles (18 and 15) whenever they have used 42 per cent of the firm plus 90,000,000 kilowatt-hours and also their 13 and 9 per cent of the firm, then they may receive all additional energy in that year at one-half mill. Obviously a bonus made exclusive to them for use of large quantities of energy in any one year. Then they could operate as follows:

(June 1 to May 1, inclusive.)

Purchase 42 per cent of average firm energy plus 90,000,000 kilowatt-hours equals 1,780,000,000 kilowatt-hours.

1,780,000,000, at 1.63	$2,900,000
Next year purchase:	
2,660,000,000, at 1.63 (being 64 per cent of firm, permitting balance at one-half mill for secondary)	4,336,000
Balance 3,500,000,000, at one-half mill	1,750,000
Total 7,940,000,000 kilowatt-hours	8,986,000

This is an average rate for the two years of 1.13 mills.

This is with the respective loads of the company and city well developed, but is a condition already in sight, so far as installed capacity of equipment is concerned.

If the estimates of the Siebert commission are correct (i. e., firm power not to be taken at over 60 per cent of 3,600,000,000 kilowatt-hours). Under that commission's recommendation the additional height of dam would be used to its maximum limit for additional flood control, and would if so used add less than 1 per cent to the firm power. The revenues would be reduced proportionately, but under the contract the firm power would also be reduced proportionately, or the average rate would still obtain, unless reduced by an increased proportion of secondary power. Under the contract the proportions of secondary energy could not be decreased. (Art. 21, relative to reduction amount of water delivered by United States.

Another aspect:

Testimony introduced before the House Subcommittee on Appropriations on May 19 and 20, 1930, by the Interior Department stated that it was estimated that there would be an average of 1,331,000,000 kilowatt-hours of secondary energy.

Even if all allottees took their full allocation of firm we would have the following cost to the company and city:

64 per cent of 4,021,000,000 (average)	2,570,000,000
Plus 90,000,000	2,660,000,000
2,660,000,000, at 1.63	$4,336,000
1,331,000,000 at 0.5	$665,000
3,991,000,000	$5,001,000

Average cost under these conditions, 1.25 mills per kilowatt-hour.

How could any new development in Arizona or Nevada pay 1.63 in view of this? They could get it cheaper from the companies. This is significant in view of the fact that Arizona and Nevada can get Boulder

power only for use within their boundaries while the companies can keep the two States from contracting for Boulder power by being able to undersell them within the States of Arizona and Nevada.

The equity of this is not under consideration herein, only the practical result which will keep the two States from economically contracting for this power, thus releasing it to the companies and the city. As shown, the company can have 18 per cent, one-half the States allocation if the district does not take it (i of F of art. 14).

But why should the district even consider paying 1.63 for this power when it could be delivered to them through the city or company as secondary energy or offpeak power at less (i of art. 10 and (b) of subsection 3 of sec. C of art. 14)?

The cost of falling water for secondary energy to the district as set forth in (i of art. 10) would be at one-half mill whenever the company and/or the city had become eligible for secondary power. It is obvious the district would not take the firm power when it could purchase it at one-third the cost from the company or city and with a charge for generating machinery at less than what it would cost them to have their own if they installed it for firm power. The district can receive offpeak power and have same made firm by paying fixed charges of generation for such investment as is required to make offpeak and secondary into firm energy, only when using it.

This latter is true because contract provides that interest maintenance and depreciation shall be paid by the district only "until such time as such plant capacity (i. e., capacity needed to make offpeak energy into firm energy) would otherwise have been installed by the lessees (the company) for their own requirements" ((b) (3) C of art. 14).

The use of the stand-by plants required by the company and the city coupled with terminal water storage of the district would make it unnecessary for the district to pay for fixed generating charges except when in use.

This would release part or all of 36 per cent allocated to the district, which the district did not take. This would remain as secondary power for the companies' and city's use to reduce their average rate, thus giving further advantage in competition, in fact making economically sound competition impossible.

There is such a wide margin of benefit in this arrangement between the city, the district, and the companies, made possible by this contract, that it seems inconceivable that the district would call on the 36 per cent allocated to it as firm when it would be so materially to its advantage to leave it to become secondary power available to the company and city, particularly as there is no limit on their right to call for this power as firm whenever they need it. This call is in perpetuity.

This last is supported by article 15 (last paragraph) and article 18, i. e., if company has paid for its obligations of firm it can take excess at secondary rate regardless of other allottees' failure to take firm energy. In other words it is like a snowball running down hill. The use of secondary power (prohibited to Arizona and Nevada on account of companies' and city's call on same) creates a condition unfavorable to competition with the companies and city which increases the amount of secondary energy available to the companies and city which creates a still more unfavorable competitive condition, etc.

CONCLUSIONS AS TO A

In addition to the 9 per cent allocated to the companies there will be available to them a minimum of 18 per cent or one-half of the Arizona and Nevada allocation which will not be taken by the States because they can not compete with the power companies on account of the minimum amount of secondary power available to them and this will be augmented by the additional secondary power available from release of part or all of the district's firm power which then becomes secondary for the companies or city. This is a minimum call on 27 per cent of the firm.

B. The maximum possible call on the firm energy if the various markets would warrant it would be:

	Per cent
Allocated to companies	9
One-half allocation to Arizona and Nevada as above	18
One-half allocation to Arizona and Nevada, if not taken by city	18
One-half allocation to district and not taken by them for reasons given above	18
One-half allocation to district and not taken by either district or city	18
Total possible maximum call	81

C. The probable amount of firm energy available to the companies is from 50 to 70 per cent.

(1) No normal power market can be developed on secondary energy alone. This is axiomatic and obvious.

(2) The number of kilowatt-hours of secondary energy which will be absorbed by any power system (at rate below increment cost of production of such system) is in proportion to the size of the load on that system. Whenever the minimum load of such system is greater than the maximum capacity of the plant producing secondary power, then 100 per cent of such secondary power can be absorbed. One-half mill plus generating machinery and transmission costs are far below the increment cost of the company even with the present low cost of fuel. Again the larger the minimum load on a power system the more kilowatt-hours of this secondary energy can be absorbed.

The companies' present load and growth of same is several times larger than any of the cities loads and therefore they will be able to absorb more kilowatt-hours of secondary energy at one-half mill until the city's minimum is greater than Boulder maximum.

Furthermore, in addition to this competitive advantage, the contract provides that the company may receive secondary energy after paying for 27 per cent as firm (art. 14) while the city can not receive secondary energy until 37 per cent plus 90,000,000 kilowatt-hours is paid for as firm, yet the secondary is allocated to them equally. This means in addition to the physical advantage accruing to the companies due to their much larger systems, the contract gives them the added advantage that the city must pay for over 45 per cent more power at the firm rate than the company before the city can receive power at one-half mill as secondary. In other words this is a material competitive advantage attached to the company over all possible allottees.

With these competitive advantages, i. e., physical and by contract, the company will be able to still further reduce its average cost for Boulder power as follows:

It is obvious that a long period of time will elapse between the time when the companies' system absorb 27 per cent of the firm power and the time the much smaller systems of the cities absorb 45 per cent additional (i. e., 37 per cent of the firm plus 90,000,000 kilowatt-hours). We then have this possible condition or approaching it with a smaller load, with 1,000,000 kilowatts peak at 62 per cent load factor (approximately present-load factor) the companies' requirements would be 5,400,000,000 kilowatt-hours per year.

The company would be required to take 18 per cent (one-half States) of the Boulder Dam firm power or approximately 723,000,000 kilowatt-hours in order to hold its allocation.

During 1 year (June to May, inclusive) 723,000,000 at $0.00163	$1,180,000
Balance of requirements on companies' plants at high-load factor and consequent further saving in operating costs. Succeeding year (arts. 15 and 18 analyzed heretofore). 27 per cent of firm (amount to make eligible for secondary equals 1,080,000,000 kilowatt-hours at $0.00163)	1,760,000
Secondary energy, 3,500,000,000, at $0.0005	1,750,000
Total for 2 years from Boulder Dam, 5,303,000,000 kilowatt-hours	4,690,000

This is an average cost for Boulder energy to the companies—less than nine-tenths mill.

This advantage, possible for years, would be a very great burden for the cities to overcome from the standpoint of competition even without the continued advantage stated heretofore of a larger percentage of secondary energy to the company during this contract.

The possibility of the United States selling firm power to any agency other than the company or the city is further reduced by the following:

Most of this allocation of 36 per cent of firm energy held in perpetuity for the district is further certain to be available to the companies and the city as secondary energy regardless of the above. This is due to the very nature of a water development in the Southwest. The water development of the coastal plains of southern California are predicated on the controlling or drought periods. All other times there is a surplus of water. During these times use of Colorado waters will be curtailed, releasing the power allocations or most of it as secondary power for use by the companies and city.

With a first call on this secondary power and the holding of the company's and city's allocations at their call (with only the requirement to take the minimum of approximately 45 per cent (42 per cent of firm plus 90,000,000 kilowatt-hours) in order for them to have this call) the production of steam power by the company and city will be made possible at a much cheaper cost. Under these provisions of the contract the steam plants when run can carry a base load, and the peaks and growth can be carried on the Boulder plant, raising the load factor on the steam plants far above normal. The production of steam under these base-load conditions would be probably at least 25 per cent less than costs per kilowatt-hour if operated under the system load factor of 62 per cent.

Furthermore, the normal costs of steam power would be further reduced by the following: A city of the size of Los Angeles, even though fast growing, has an annual kilowatt-hour increase small as compared with New York City. This results in added plant capacities as the load grows, being limited to (to-day) approximately 75,000 horsepower. New York, even though growing at a slower rate than Los Angeles, can make additions of 215,000 horsepower (largest unit now made) reducing the investment per kilowatt-hour of new installations by as much as 20 per cent over a 75,000 installation. The above is obvious as the size of the new units for needed additional capacity are limited by the number of years it takes the market to absorb the new plant's output. New York can obviously absorb 215,000 horsepower in a given time where it would not be economical for Los Angeles to install over 75,000 horsepower on account of the time it would take for the load to grow to it.

By the overinstallation of generating equipment at Boulder Dam made possible by the contract (art. 8 provides the United States will

install generating equipment sufficient to generate the energy allocated to various allottees "upon the load factors stated by the respective allottees." Testimony of May 19 and 20, 1930, from Interior Department states the contemplated installation is 1,500,000 horsepower to deliver 663,000 firm horsepower. This is overinstallation with a vengeance) the load factor can be varied on the Boulder Dam installation to put base power on a new steam unit of 215,000 horsepower. This is possible by decreasing the load factor on Boulder Dam machinery in order to put base load on the new unit; then gradually increasing the Boulder Dam plant load factor as the market load grew until a new unit was warranted, etc. The larger the market the more it would be possible to take full advantage of this feature. Again, competitive advantage is given the companies and to a lesser degree to the city.

During the development period and for at least long periods of years thereafter, if not permanently, the United States ability to sell unused firm power is stiffled by the favorable discrimination made available to the company (and to a lesser degree to the city, for reasons given). This would make the major portion, if not all, of the unused firm power allocated to the district and one-half of the allocated firm power of Arizona and Nevada not used by the city available to the company as secondary energy at one-half mill.

CONCLUSIONS AS TO C

We therefore conclude that the companies will ultimately absorb the majority of the power between the 27 per cent minimum and the 81 per cent maximum, or, as stated, this contract probably makes available between 50 and 70 per cent of the Boulder Dam power to the companies under conditions which would make competition impossible from any existing or known method of producing power and the city would have the same advantage to a lesser degree.

It is to be noted that the rates for power after 15 years are fixed in article 16 as the "price of electrical energy" justified by competitive conditions at distributing points or competitive centers less deductions for power-plant machinery and transmission. In the light of the determination by the Secretary of the Interior of these conditions under present fuel prices this seems a vague thing to base any hope of a correction of this contract at the end of 15 years or thereafter. The greatly reduced steam costs due to operating methods made possible in the contract and set forth herein would undoubtedly have to be taken into account as they would represent the "price of electrical energy" and no mention is made in the contract of any claim of the United States on these reductions to justify an increase in rates—they simply become the price of energy. Article 16 states that the new rates, if any, shall be the same for both the company and the city or they will be based on the cheapest steam or similar power produced by either party. This would continue a competitive advantage for the future.

The prior right to the use of secondary power for the duration of this contract would lead to the conclusion that the effects on competition will continue.

C. C. CRAGIN,
Member of American Society of Civil Engineers,
Consulting Engineer.

The brief by Mr. Charles B. Ward is as follows:

SECONDARY ENERGY

About the only way that I could see that a layman could discuss this feature of secondary energy and who might benefit from it, would be about as follows, and I will illustrate in an endeavor to make the argument plain.

(a) The company must take 27 per cent of the firm energy, that is, the 9 per cent allocated to it and other companies and one-half of Nevada's and Arizona's 36 per cent. Whenever it does this it becomes eligible to have secondary energy if the same is available for distribution to it.

(b) The only right of the district to have energy of any kind is for pumping water into its aqueduct. It has no right to buy energy to sell or for any other purpose. For this purpose it is allocated (on p. 13):

1. Thirty-six per cent firm energy; plus.
2. All secondary energy developed at the dam.

(c) If the district does not take this firm energy or if it does not take it all, the Secretary has the right to dispose of it first, to a successor of the district. If there is no successor, then the company is entitled to take one-half and the city one-half. If the city does not take its one-half, then the company can take all of such unused energy. (See p. 17, under heading Firm Energy Allocated to But Not Used by the District.)

D. The district is allocated all secondary energy (see p. 16, title "Secondary Energy") but as stated before, this secondary energy is only to be used for pumping water. If the district does not take this secondary energy, then the company and the city have a right each to take one-half.

E. Now, in the event that the district does not build its aqueduct it will have no right to either firm or secondary power and all that power will be open for disposition by the Secretary. If it does build the aqueduct and they have wet periods on the coastal plain, then the district would not likely have to use the amount of its firm power to pump water into its district. In case of wet seasons it would likely not use any secondary energy and, therefore, such firm power not used and all secondary power would be open to be taken by the company and the city.

F. In the event the district did not take its firm allocation nor its secondary power, which it could not take in any event unless it first used its firm power, the company would secure one-half thereof and if the city was only able to use its allocation of firm energy, the company would get all the secondary power. (See p. 16, title "Secondary Energy.")

G. The price the company would pay for such secondary power would be one-half mill. (See art. 16 (b) under (1), p. 19.)

H. By the last paragraph of article 15, on page 19, the right is given to the company to take and pay for energy at the secondary rate whenever it has taken its 9 per cent allocated, plus 18 per cent (one-half of Arizona and Nevada's allocation) or a total of 27 per cent. This right is given it even if another "allottee" (i. e., the district) has not paid for its allocation of firm energy.

Therefore, if the district does not use its firm allocation to pump water, that is, as I have said, at the disposal of the Secretary. If it does not pump water, then all of the secondary power is at the prior call of the city and company and if the city does not take its one-half, then the company in that event would take all of the secondary energy (see pp. 16 and 17) at the secondary rate of one-half mill (art. 16 (b), p. 19).

I. On page 17, under the title "Firm Energy Allocated to but Not Used by the District," it is provided that if the district fails for any reason to use the firm energy allocated to it for the only purpose for which said energy is allotted, then the Secretary shall dispose of such energy until required by the district. There is nothing in this clause which requires him to dispose of such unused firm energy at 1.63 mills except, as it might be argued, that as the price of firm energy is fixed at 1.63 mills, it must be sold at that price. Yet the agreement of the different lessees is that they will pay for the firm energy allocated to them at 1.63 mills, and we apprehend that no purchaser of energy would wish to pay that price except for the firm energy it has contracted to take.

To illustrate: The district does not take its 36 per cent of firm energy. What is to become of it? The company is taking and paying for 27 per cent of the firm energy, all that it is bound to take. The city is taking and paying for all the firm energy that it has contracted to pay for, and we will say, for instance, the city needs no more energy except the amount covered by its firm allocation. There is no other purchaser for this district's unused 36 per cent of firm. Will the Secretary allow it to go to waste or will he sell it to the only people that can take it? If he does, he is compelled, then, to sell it as secondary energy, and if he does he only receives one-half mill for it, and in the above event the company would receive 27 per cent of the firm energy at 1.63; it would receive 36 per cent of district firm energy as secondary energy at one-half mill; and it would receive all of the secondary energy developed at the power plant at one-half mill.

If this is true, let us see where it leads. Does it now not have its transmission lines into Nevada, and does it not now, in conjunction with Southern Sierras Co., have use of transmission lines into Arizona. Remember that no secondary energy is allocated to Arizona or to Nevada? How could Nevada, paying 1.63 for 18 per cent of firm energy, compete against the company, who has a greater lot of secondary energy at one-half mill?

The same restriction would be upon Arizona as would be upon Nevada. In other words, they would be smothered by competition of the company, made possible by this act itself.

J. To illustrate further: The company would pay for its allocation of 27 per cent as firm energy. It would be possible for it to receive the district's firm allocation of 36 per cent as secondary energy at one-half mill, and then it would be possible for the company to receive all of the secondary energy produced at the dam at one-half mill.

C. B. WARD.

Mr. HAYDEN. Mr. President, I do not believe that the municipal water district which has contracted for 36 per cent of the power to be produced at Boulder Dam will use any of the power for many, many years. Los Angeles on the 20th of last May voted bonds in the sum of $38,000,000 to enlarge the Owens River aqueduct and to extend that aqueduct to the Mono Basin in order to obtain an enlarged water supply. That water will be taken from a high elevation in the Sierras. The total drop is some 4,000 feet, so that a large quantity of hydroelectric power will be extracted from it. When that operation is complete there will be about 450 second-feet of water available to the city of Los Angeles which will increase by much more than one-third the available quantity of water there now. The present population is being supplied with the Owen River water. It is also planned to enlarge the Owens River supply by condemn-

ing a number of irrigated farms, let them go back to desert, and use the water for domestic purposes. That plan has been long delayed, as a matter of fact. The ruthless and selfish spirit that the city of Los Angeles has exhibited toward the farmers in the Owens River Valley is unparalleled. It is only at a very recent time that the city has made a settlement which adequately compensated those farmers for their water rights.

With the Owens River and Mono Basin development Los Angeles will have a water supply for practically double the number of people now living in and around that city. They are obtaining it by the expenditure of funds derived from a bond issue already voted of $38,000,000. To go to the Colorado River will cost a quarter of a billion dollars. It will necessitate the expenditure, as is estimated, of $250,000,000 in order to obtain water from the Colorado River. Why should the city be in any hurry to go to the Colorado River to get water so long as the needs of its population are supplied from this other and cheaper source? For that reason it will be a good many years, in my judgment, before it is necessary for the city to go to the Colorado River to obtain water, and therefore during all those years there will be no market for the 36 per cent of the power allocated to the Metropolitan water district except for the Federal Government to sell it as secondary power. The principal purchasers for that secondary power will be the private power companies of California.

Mr. DILL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield further to the Senator from Washington?

Mr. HAYDEN. Certainly.

Mr. DILL. Am I to understand that the city of Los Angeles has already begun work on a new system to bring water from the Owens River?

Mr. HAYDEN. Yes. A bond issue was voted on the 20th of last May. It is a matter that has been very carefully studied by very able engineers, and there is no question but what the Mono Basin water supply will be promptly developed. Los Angeles is right at the limit of its present water supply; that is, they can not serve every need from the existing Owens River source. The city must go somewhere else for water and must go quickly. They can not afford to wait for the Colorado River development, and therefore have adopted the Mono Basin plan.

Mr. DILL. Will those connections bring water enough from the Colorado River to supply only Los Angeles or to supply that whole country?

Mr. HAYDEN. Owens River and Mono Basin will supply water for about 2,500,000 people, or for a million more than now live in Los Angeles.

Mr. DILL. Much of it would be used for irrigation, would it not?

Mr. HAYDEN. That is a very interesting question the Senator from Washington has raised. I have here a copy of the Boulder Dam edition or the Metropolitan District section of the Los Angeles Examiner published on Thursday, May 29. It is very frankly stated on the front page that while the Boulder Dam water was allocated to this section solely for domestic use, yet in the early stages a large replenishment of underground storage will occur and much of it will find its way upon the land.

As a matter of fact, we are told confidentially that there has been pumped out of the underground waters of the Metropolitan District in and around Los Angeles enormous quantities of water, and that, as compared to the original condition, the wells have grown deeper and deeper until there is now an actual shortage of about 5,000,000 acre-feet of water underground. That is the real reason given as to why they must ultimately go to the Colorado River to get water.

There will be found in this newspaper [exhibiting] an interesting picture. For instance, it says:

When we have the Colorado River water this type of development will benefit——

Showing a picture of orchards and farms—

as well as this—

Showing a picture of cities and towns.

Mr. DILL. Mr. President, I remember some years ago when the Committee on Reclamation of the Senate held hearings on this matter in southern California that the point to which the Senator refers was brought before us, namely, that the water level underlying the surface is being lowered year by year. Is it claimed that the level is still being lowered each year?

Mr. HAYDEN. Yes. We are privately told that in some instances they are now pumping water from a hundred feet below sea level, and there is danger that the salt water might percolate in from the ocean.

I find this statement in the newspaper to which I have referred:

E. F. Scattergood—

One of the engineers of the city of Los Angeles—

calculates that the surplus will maintain 45,000 families in agricultural pursuits, their combined product mounting to $250,000,000 a year.

So it is quite evident that, while this water is to be taken out of the Colorado River ostensibly for domestic use, in reality, the first use will be for irrigation purposes, and not until many years have passed will the bulk of the water be used for domestic purposes.

Mr. DILL. How can they ever hope to pay for water brought over the mountains from the Colorado River for other than domestic purposes? The cost will be so tremendous when used for irrigation purposes that it seems to me an unthinkable proposition.

Mr. HAYDEN. If it were solely for irrigation purposes, that would be true. But when the expense is to be divided, and particularly when taxation pays the interest on bonds, the cost is not an insurmountable obstacle.

The entire basis of the contract between the Municipal Water District and the United States is that it shall use power solely to pump water out of the Colorado River; it is a contract for that single purpose, and it is our contention that if the power is not so used there will be no other market for it, because the district for all time has a claim upon it. In the meantime the 36 per cent of power allocated to the district will be sold as secondary power to cities and to private power companies.

The city of Los Angeles entered into a deal recently, for which bonds were voted, I believe, in the amount of $11,000,000, to purchase all the Southern California Edison interests within the city limits. Now the city is the sole source of electric power within its corporate limits. In making that deal the city agreed with the private power company not to sell any power outside its limits. The growth of the city and its demands for power within its limits can not possibly increase as fast as the growth of all southern California, which is open to the private power companies. Taking all factors into consideration, I think it is perfectly safe to predict that, once the Boulder Canyon Dam is built, over half the power produced there will be purchased by private power companies, to be retailed to the general public. So this great project which was held up before the American people as being a great public-ownership development, involving a Government dam and a Government power plant, a municipal transmission line and municipal distribution, will not, as a matter of fact, come into being as a pure public-ownership development.

Mr. DILL. Mr. President, the Senator again calls attention to the right to purchase the power. He says that more than half of it will be purchased by private power companies to be sold in the market in that section of the country.

Mr. HAYDEN. Let me say that whether it is purchased as primary or secondary power, the private power companies will get the major part of it from one source or the other.

Mr. DILL. But is it very important, from the standpoint of the price to be paid, whether it is purchased at primary or secondary rates?

Mr. HAYDEN. Undoubtedly, that makes a great difference.

Mr. DILL. If it can be purchased at rates for secondary power, the private company can undersell the municipal company, or the State user, who would have to pay the price of primary rates. That is where I think there arises an extremely important distinction.

Mr. HAYDEN. That distinction is brought out very clearly by Mr. Cragin. He says that the private power companies qualify themselves to purchase secondary power by fulfilling an agreement to take 27 per cent of the firm power, whereas the city of Los Angeles and the other municipalities are not qualified to obtain any secondary power until they have bought 45 per cent of the firm power. So there is a positive advantage to the private power companies in that respect.

It is his opinion that neither the State of Arizona nor the State of Nevada would ever purchase any power under the allocations made to them, because anyone desiring to engage in business, such as mining or agriculture, who would require a large quantity of power, either in Arizona or in Nevada, could buy it from the private power companies cheaper than he could buy it from the States.

Mr. DILL. But only because the private power company, through the form of these contracts, would be able to get the power at the price of secondary power.

Mr. HAYDEN. Exactly.

Mr. DILL. So that it would seem that that part of the contract is indefensible.

Mr. HAYDEN. Well, it certainly is a matter that ought to have been looked into very carefully, but which, in our opinion, was neglected.

These contracts were written in California, by California, and for California. The Senators from Nevada asked to see copies of the contracts before they were signed by the Secretary of the Interior, but the request was denied. Nobody in Nevada can say that either the senior Senator from Nevada [Mr. PITTMAN] or the junior Senator from Nevada [Mr. ODDIE] are in any manner responsible for the terms of these contracts; their hands are absolutely clean.

I asked that, after the contracts were negotiated in Los Angeles, but before they were signed by the Secretary of the Interior, that the representative of the department who was in Los Angeles stop for just one day in Phoenix on his way to Washington in order to allow the Governor of Arizona and the Arizona Colorado River Commission to see these contracts before they were finally approved. My request was ignored. What happened? They were brought back from Los Angeles to Washington by airplane and signed immediately; taken from the Department of the Interior over to the Budget Bureau as fast as possible; transmitted from the Budget Bureau to the White House, and sent by the President to the House Committee on Appropriations. There seemed to be a great fear that if the contents of these power contracts were made known and disclosed to the public something would happen.

The House Committee on Appropriations, however, took its time about passing upon them. I obtained copies of the contracts as soon as possible and forwarded them to Arizona for the information of the Arizona Colorado River Commission. Such members of the commission as could come to Washington were invited here to see what could be done to meet the situation. The members of the commission are all good lawyers; they examined the contracts, and informed us by wire that they were not contracts but mere options, binding on the United States but not binding upon the city of Los Angeles or on the private power companies or the Municipal Water District.

The Arizona Colorado River Commission telegraphed to Representative DOUGLAS of Arizona, and asked him to employ attorneys here in the city of Washington to examine into the contracts and ascertain if they were valid and binding agreements as contemplated by the Boulder Canyon project act. He was asked to have such an examination made while the members of the commission were on the train coming to Washington. A very distinguished firm of lawyers was employed in this city, headed by a former Representative in Congress, Judge Covington.

The lawyers submitted an opinion which found, just as was suspected by the Arizona Colorado River Commission, that these were not contracts. With that information conveyed to the House Committee on Appropriations by Representative DOUGLASS, the committee questioned the Secretary of the Interior and the representatives of his department when they brought the contracts formally before it. The committee asked to be shown where the United States was protected, where the cities, the municipal water districts, and the private power companies were bound. The contracts were thumbed through, back and forth, without success. It was finally confessed that the contract with the municipal water district was a mere option. The Secretary and his advisers, however, insisted that the contracts with the private power companies and with the city of Los Angeles were good contracts. The committee decided they were not, and that they would not recommend the Boulder Dam appropriation until the contracts were amended. So amendments to the contracts were made in California before the House committee recommended any appropriation of money.

We still contend—and I am not going into that in any very great detail because it was so thoroughly covered by the speech made by my colleague, the senior Senator from Arizona [Mr. ASHURST]—that the defects in these contracts have not been cured and that the city of Los Angles is not bound to pay the United States in the manner contemplated by the Boulder Canyon project act.

Forcing the city of Los Angeles, the private power companies, and the Municipal Water District to amend their contracts with the Secretary of the Interior, is just another example of the genuine service that Arizona has rendered to the Nation in connection with Boulder Dam. The Secretary of the Interior was perfectly willing to proceed with the expenditure of nearly $100,000,000, based upon a set of contracts which the House Committee on Appropriations decided were not valid, binding agreements, as provided for in the Boulder Canyon project act.

In the British Parliament they have what is known as His Majesty's Honorable Opposition. In this instance, Arizona has occupied a position of being honorably opposed to the enactment of legislation; and we have corrected many glaring faults in the Swing-Johnson bill itself, and now, in the proceedings necessary to carry the bill into effect. As yet we have received no testimonials of gratitude from the gentleman in the White House, or the honorable the Secretary of the Interior, but we hope that in due time there will be some appreciation expressed in recognition of the service Arizona rendered in this instance. Those who speak for the State of Nevada have been kind enough to freely admit that Arizona has rendered a service to their State which the State itself apparently could not perform.

I remember that back in 1924, when Boulder Dam was first under discussion, there appeared before the House Committee on Irrigation and Reclamation, a governor of our neighboring State. I read from the testimony of Hon. Emmett D. Boyle, given on Friday, March 14, 1924:

> Mr. HAYDEN. Have the people of Nevada given consideration to the question of whether, inasmuch as the power is to be generated within, or partly within, their State, any royalty should be collected on it, if used in another State?
>
> Mr. BOYLE. No, sir; we do not figure on that—we would be very well pleased to have the development there and to have our chance at the utilization of the power without imposing any imposts on anybody else for using it.
>
> That has been given full and thorough consideration; and there is no desire on the part of Nevada to increase the cost of that power to anybody by placing any sort of a royalty proposition on it.

That was then the attitude of the people of Nevada. The governor spoke truthfully as to the state of public opinion in his State at that time. Arizona, however, claimed that the Boulder Canyon power site was half within each State, that the water flowing in the Colorado River was within the jurisdiction of the States of Arizona and Nevada, and that the two States were entitled to an income or royalty, at least equivalent to the taxes that would be paid by a private power company if Government development took place. Arizona made the fight, and it was only by reason of the fight made by my State that Congress finally adopted the amendment offered by the senior Senator from Nevada [Mr. PITTMAN] providing that 37½ per cent of the excess revenue should be set aside for the benefit of our two States.

We have been glad to render this service to Nevada, happy to render this service to the Nation, and we ask the Senate to consider now whether in this instance Arizona is not rendering another valuable service when we insist that the letter and the spirit of the Boulder Canyon project act shall be observed before the first appropriation under it is made. It is important that every precaution be taken, because, as I stated in my minority report, Congress has no power to abrogate a contract after it has once been made.

In this connection, it will be remembered that when the Boulder Canyon project act was under consideration in the Senate, the able senior Senator from Utah [Mr. SMOOT] delivered an address in which he very severely criticized the plan as then proposed. The Senator from Utah had intended to speak on this item in the appropriation bill, but was compelled to leave for Utah. He has left with me a copy of the speech that he intended to make, in which, after saying that he would support this appropriation, he points out that the criticism which he made of the plans and the engineering designs of the original Boulder Canyon project, as presented to Congress at the time the act was passed has been fully justified. He demonstrates in these remarks how his criticisms were subsequently found to be fair and just, and that they have been met by changes in the present plans. The Senator from Utah concludes his remarks by saying that he is still convinced that the Government of the United States will not get its money back for the expenditures made at Boulder Dam.

I ask leave to have printed at this point in the RECORD the speech intended to be delivered by the senior Senator from Utah [Mr. SMOOT.]

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Without objection, it is so ordered.

The speech is as follows:

SPEECH INTENDED TO BE DELIVERED BY SENATOR SMOOT

Mr. SMOOT. Mr. President, I propose to vote for this preliminary appropriation for the Boulder Canyon project. I propose to do this not because I think the Boulder Dam project is a wise undertaking or one which should be undertaken by the Federal Government, but because Congress has authorized it, and since it is to be undertaken at some time, I see no reason for withholding the appropriation at this time.

It will be remembered that a little over two years ago I dealt with the subject of the Boulder Dam project on the floor of the

Senate at considerable length. In particular, I reviewed the Weymouth plan for the construction of the proposed Boulder Dam and pointed out what appeared to be grave defects in that plan. It will be remembered that partly as a result of my criticism of the Weymouth plan the board of engineers appointed by President Coolidge, under the chairmanship of Maj. Gen. William L. Sibert, made an investigation during the summer and fall of 1928 and reported on the Boulder Dam project under date of November 24, 1928. I desire to point out the particulars in which the Sibert Engineering Board confirmed the criticisms which I made in April and May of 1928. My criticism of the Weymouth plan largely revolved around the proposed plan for diverting the Colorado River from its stream bed during the process of construction. I pointed out that the Weymouth plan did not contemplate the diversion of the river from the river bed during the flood flow, which comes once each year, but that under the Weymouth plan only 100,000 second-feet of diversion capacity was provided for in the three 35-foot diversion tunnels which it was proposed to construct under that plan. I pointed out that the risks assumed in an attempt to construct the temporary cofferdams of the size and height proposed under the Weymouth plan were very dangerous. I criticized the methods proposed for those cofferdams.

I also criticized the proposal of the Weymouth plan to increase the foundation stresses from the standard stress of 30 tons per square foot to 40 tons per square foot and pointed out that it was highly undesirable to take the risk involved in any such increase in pressure. I pointed out the grave and irreparable damage which would be created by the unthinkable catastrophe of the failure of any such dam as that proposed.

I said that the estimate of cost for the construction of the dam was far too low and that the cost would at least be approximately twice as much as that of the estimates.

Now, as I have said, my remarks upon this subject were delivered on the floor of the Senate April 30 and May 1, 1928. The Sibert Engineering Commission was appointed in June, 1928, and reported on November 24, 1928. I quote from the report of that commission as follows:

> The proposed dam would be by far the highest yet constructed and would impound 26,000,000 acre-feet of water. If it should fail, the flood created would probably destroy Needles, Topock, Parker, Blythe, Yuma, and permanently destroy the levees of the Imperial district, creating a channel into Salton Sea which would probably be so deep that it would be impracticable to reestablish the Colorado River in its normal course. To avoid such possibilities the proposed dam should be constructed on conservative if not ultraconservative lines.
>
> Maximum foundation and structural stresses have until late years been limited, in the best practice, to about 20 tons per square foot. Until perhaps 20 years ago this practice was regarded as standard. The demand for high dams at reasonable expense has, however, induced more economical designs, and such stresses have been increased to 30 tons per square foot in numerous structures which have been in use a sufficient period to cause this practice to be considered conservative. Stresses in excess of 30 tons can not be considered conservative in a structure of this unprecedented magnitude and importance, failure of which would result in such an overwhelming disaster.
>
> In consideration of these facts and possibilities it is the judgment of the board that the dam should be designed for maximum calculated stresses, not exceeding 30 tons per square foot. This will add materially to the cost of the dam, which increase will be included in the estimates.
>
> Cofferdam construction and river diversion: To control the flow of the river during construction, the proposed plans contemplate the diversion of 100,000 second-feet of water around the dam site by means of tunnels through the canyon walls. The upper cofferdam height was planned to be such that water could rise against it until sufficient head was created to force this amount of water through three tunnels 35 feet in diameter.
>
> The proposed work in this connection comprised:
>
> The building of two rock-fill cofferdams, one upstream 79 feet high, the other downstream 29 feet high, above low-water level, involving the placing of 164,000 cubic yards of earth, the quarrying and placing of 757,000 cubic yards of rock; the making and unwatering of open excavations in the river bed about 125 feet below low water, involving 531,000 cubic yards of material (sand, gravel, and boulders), with an uncertain amount of water; the preparing of foundations and placing of 235,000 cubic yards of concrete in the heel and toe of the dam in such a way as to form permanent cofferdams to protect the remainder of the work, all of the foregoing operations to be accomplished in one low-water season of less than nine months.
>
> The board is of the opinion that it is not feasible, without undue risk to the men working in the excavations and on the dam, and to the inhabitants of the valley below, to carry out the plan as proposed. It is further of the opinion that the proposed diversion is inadequate and that provision should be made for diverting round the dam site, through tunnels, a flow of at least 200,000 second-feet. It is also the opinion of the board that the height of the water against the upper cofferdam should be ordinarily limited so as not to impound a volume which, if added to the flood waters, would, in the event of failure of the cofferdam, endanger life and property down the valley. This would limit the elevation of the water surface against the upper cofferdam to about 55 feet above low water or 700 feet above sea level.
>
> These modifications would not only add essential elements of safety but also would enable operations to proceed continuously through a normal flood season.

It will be noted in the foregoing that the board sustained each and every one of my objections, namely, it lowered the maximum stress per square foot from 40 tons to 30 tons; it entirely changed the plans for the diversion of the river by doubling the proposed diversion capacity of the tunnels. It recommended instead of three tunnels, 35 feet each in diameter, the construction of four tunnels, each of 50-foot diameter. It recommended the lowering of the water pressure against the cofferdams. It changed the entire plan for the construction of the permanent cofferdam at the upper face of the main dam in the nine months' period during which the Weymouth plan called for its construction.

In short, the Sibert Board changed, in each of the fundamental particulars, the entire plan for the construction of Boulder Dam. As a result of those changes, Boulder Dam, if and when constructed, will be a much safer and more reliable structure and the possibility of disaster during construction will have been greatly reduced. I feel that my remarks had some part in the appointment of the Sibert Commission and consequently contributed to the change in plans recommended by that commission. I therefore look with gratification at the result of my effort to point out the grave engineering defects in the original plan for the construction of Boulder Dam, which was the only plan before us at the time my remarks were made.

Of course, the changes in the plans for the dam necessitated change in the estimates of cost, and we find that the new estimates of cost are approximately in accordance with the estimates of cost which I made the first of May, 1928. The original estimate as to the cost of the dam was $41,500,000. The Sibert Board raised this estimate to $70,600,000. I understand that, including interest during construction, present estimate of cost approximates $100,000,000.

I do not wish to give more than casual attention to the fantasy of repayment of the Government's investment. I dealt somewhat at length with this matter in my former speech. The price for electricity named in the contract doubtless is a price that, if collected for 50 years, would repay to the Government that sum of money which the present estimates call for. The grave risk and uncertainty here is as to the will and ability of the political agencies to pay and as to the actual cost of the project.

The more important point, however, is that no one now knows what price the Government will receive. In my speech in May, 1928, I directed attention to the following provisions of the Boulder Canyon act:

> Contracts made pursuant to subdivision (a) of this section shall contain provisions whereby at the end of 15 years from the date of their execution and every 10 years thereafter there shall be readjustment of the contract upon the demand of either party thereto, either upward or downward, as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers, and with provision under which disputes or disagreements as to interpretation or performance of such contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such readjustments or proceedings.

I further said at that time:

> Obviously also the plain intention of the bill is to seem to require contracts but actually to require nothing at all, except that some contractor agrees to take Government power, for which the Government will provide all of the investment, at exactly what the same power would have cost him had he secured all of the capital and taken all of the hazards of construction incident to the generation of power on his own account.

It is now worthy of notice that the contracts before us carrying out this section of the law specifically provide that the "readjusted rates shall under no circumstances exceed the value of said energy based on competitive condition at distributing points or competitive centers." (Sec. 16.)

The price named in the contract continues for only 15 years from the date of the signing of the contract. Ten of those years, according to the most optimistic estimate, will be used up by the construction period. That leaves the price named in the contract applicable for a maximum of only the first five years of a load-building period, during which the full amount

of the power contracted for need not be taken. After 1945 some other and unknown price must be charged for the electricity. What will that price probably be? It must be a price based upon the cost then of providing a similar quantity of electricity in the same load centers by alternate means.

When the manufacturing cost and the transmission cost are added to the price of falling water at Boulder Dam, the delivered cost at the load centers near Los Angeles will be between 4 and 4.25 mills per kilowatt-hour. The present cost of making electricity in southern California from the most modern steam plants is now about 3.5 mills per kilowatt-hour. If the researches of the next 15 years cut 1 mill off this present steam-power price, then the price that the Government must, under the contracts, charge for falling water at Boulder Dam 15 years hence will be approximately zero. How long it will take receipts of zero to accumulate enough money to pay back the Government's investment I shall leave to the mathematicians.

As I stated at the outset, the time for controversy over the wisdom of the Boulder Dam enterprise is over. Congress has decided; and I intend to vote for the appropriation. For the benefit of the historians 60 and 70 years hence I merely wish the record to show that at this time it was pointed out to the Senate that even the Government of the United States can not defy the operation of economic laws to the extent of selling a commodity over a long-term contract for more than its value; that even political necessity will not excuse economic blunders.

It has been intimated that in my former speech I told the Senate that the Boulder Dam region was peculiarly susceptible to earthquakes. I did not say this. What I did was to quote from the testimony of a witness presented by the advocates of the project. I assumed that those advocates would not present a witness who was unqualified or who did not state the facts. If the witness was qualified, his statements should have been checked. They were checked by the Sibert commission and I am content to accept their report. I accept no responsibility for his statements.

Mr. HAYDEN. These contracts which I have mentioned, so hastily prepared and so hurriedly forwarded to Washington, transmitted with such speed through the Budget and the White House to Congress, were not submitted to the State of Arizona, were not submitted to the State of Nevada, and were not submitted to any other State in the Colorado River Basin. A formal request was made at a meeting held in Salt Lake City in August, 1929, by representatives from all of the States of the Colorado River Basin, that their governors be advised by the Secretary of the Interior of the nature of the negotiations that were pending with respect to power, the seven States to be advised before a final determination of the matter was made by the Secretary.

I have in my hand a copy of the minutes of the Colorado River meeting held in Salt Lake City on August 28, 1929, which I ask to have inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

MINUTES OF COLORADO RIVER MEETING, SALT LAKE CITY, AUGUST 28, 1929

A meeting of Colorado River governors, commissioners, and representatives was held in Salt Lake City on Wednesday, August 28, 1929.

There were present: Gov. John C. Phillips, Arizona; Charles B. Ward, Arizona commissioner; John M. Ross, Arizona commissioner; A. H. Favour, Arizona commissioner; John L. Bacon, chairman California commission; W. B. Mathews, California commissioner; Earl C. Pound, California commissioner; F. A. McIver, secretary California commission; Delph E. Carpenter, Colorado commissioner; Robert E. Winbourn, attorney general, Colorado; George W. Malone, State engineer, Nevada; Ed. W. Clarke, Nevada commissioner; Austin D. Crile, representing Governor Dillon of New Mexico; Herbert W. Yeo, State engineer, New Mexico; Gov. George H. Dern, Utah; W. R. Wallace, chairman Utah commission; W. W. Ray, Utah commissioner; R. R. Lyman, Utah commissioner; Gov. Frank C. Emerson, Wyoming; W. O. Blair, California; T. A. Panter, California; J. Rupert Mason, California; George M. Bacon, State engineer Utah; R. R. Woolley, Utah; J. P. Martin, Utah.

Gov. George H. Dern of Utah called the meeting to order and was duly elected chairman of the meeting. George M. Bacon, State engineer of Utah, was elected secretary.

At request of Governor Dern, Secretary Bacon read call of the meeting, as follows:

AUGUST 12, 1929.

MY DEAR GOVERNOR: You have been invited to attend a conference of the 11 Western States at Salt Lake City on August 26 and 27, and I hope to have the pleasure of seeing you in Utah at that time.

At the Colorado River conference, which was held at Santa Fe last winter, it was agreed that a conference of the seven Colorado River States should be held at Salt Lake City some time this summer. Inasmuch as the governors of the Colorado River States are all expected here for the Western States conference this month, it occurred to me that it would be more convenient for them if the proposed Colorado River conference were held at that time instead of being called later and thereby necessitating another trip.

Acting upon the authority given at Santa Fe, I therefore now invite you and your Colorado River commission to meet at Salt Lake City on August 28 for the following purposes:

(1) To discuss the question of price at which Boulder Dam power shall be sold.

(2) To discuss the granting of permits or licenses for power projects along the Colorado River by the Federal Power Commission.

I took up with the President the question of having the United States represented at this conference and have been informed that Hon. Joseph M. Dixon, Acting Secretary of the Interior, has been delegated by Secretary Wilbur to attend the conference and to cooperate with our meeting in any way that he can properly do so.

With personal regards, I am,

Very sincerely yours,

GEORGE H. DERN, *Governor.*

Mr. Ward said that two delegates from Arizona had missed the train and would be here for the afternoon session.

Mr. Wallace suggested that the order of business be reversed so that the gentlemen from Arizona might take part this afternoon.

Mr. Winbourn said he was not familiar with the matter of power permits by the Federal Power Commission.

Mr. Wallace suggested that letter from Mr. Carpenter to Mr. Winbourn be read as it went into the matter in detail.

Mr. Winbourn read letter from Mr. Carpenter of July 22, 1929, in re Federal power permits and licenses on the Colorado River (copy furnished to each delegate).

Mr. Winbourn said that when Doctor Mead was in Denver a conference was had in Governor Adams's office, and the main idea he got from listening to Doctor Mead was that he was concerned as representative of the United States in having consummated in the first instance contracts for power to assure the repayment of the cost of the Boulder Canyon Dam; that Doctor Mead was concerned with a creation of a system for use of power so the Government would know in advance that the money expended for a dam would be returned to the Government.

Mr. Winbourn said that these basin States were vitally interested in the subject covered by Mr. Carpenter and suggested that perhaps a resolution by this meeting directed to the President was in order; the resolution incorporating this letter which so fully goes into the situation, with the request that the necessary order be issued by the power commission.

Mr. Yeo said that New Mexico agreed with the letter with reference to the San Juan River but doubted whether he agreed as to the Gila River. He said that recently the United States Bureau of Reclamation, Arizona and New Mexico entered into a contract whereby funds amounting to $25,000 had been appropriated, $12,500 from the Bureau of Reclamation, $6,250 from Arizona, and $6,250 from the State of New Mexico, these funds to be expended by the United States Bureau of Reclamation in an investigation of conditions and use of the waters of the Gila River and its tributaries. He said they hoped to have the data in the next six months and know definitely as to the best place for a reservoir site for storage on the Gila River for use of irrigation in New Mexico and supplemental supply in Arizona.

Mr. Winbourn asked if the resolution was to request that the Federal Power Commission issue no permits with the exception of the Gila River.

Mr. Ward said there were 300 miles of Colorado River in Arizona, with 2,300-foot fall, and if Arizona did not go into the 7-State compact they naturally did not wish their development to be held up by any action of Federal Power Commission.

Mr. Ward asked Mr. Ralf R. Woolley as to the situation on the Gila River, and Mr. Woolley answered that there had been a number of applications for permits both on the Gila and Salt Rivers.

Mr. Malone said he did not have much to say, but that he was under the impression that in the Boulder Dam act it provided for the holding up of these permits until this act became effective, except on the Gila River. Mr. Malone read from section 6 of the Boulder Dam bill. He asked if it would not be wise for the embargo on permits to ride while they are attempting to agree; that if it did not affect the Boulder Dam act, Nevada would certainly be of any assistance as long as it did not affect Nevada.

Mr. Wallace suggested that representatives of the other States be heard.

Governor Emerson, of Wyoming, said he had studied the Colorado problem for years, also the question of whether or not Federal Power Commission should allow any licenses upon the Colorado River or its tributaries. He named several reservoir sites of the various States and said that development could not proceed except through cooperation by the States. He said the upper States were about to enter into negotiations looking to a compact between the four upper basin States. The big question was whether or not the interests of the two divisions

would enter into an agreement and later Arizona come into the 7-State compact; it was his opinion that they would. He said that if the Federal Power Commission should go ahead and issue permits, it would further complicate the situation; that extension of the embargo for a year or so more would allow reasonable additional time in which to reach agreement without injecting into the situation a further complication.

On motion of Mr. Ward, duly seconded, the meeting adjourned until 2 o'clock p. m.

AFTERNOON SESSION, 2 P. M.

Mr. W. W. Ray thought the discussion of the morning as to Federal power permits should end; that those States who were desirous of joining in a representation to the President do so; those not wishing to take part in it need not do so.

Governor Dern explained that Mr. Carpenter in his letter had not mentioned Arizona because he had forgotten Arizona was an upper basin State.

Mr. Winbourn was in favor of hearing an expression from the different States as to who were willing to join in request for power permit embargo at this time.

Mr. Winbourn said Colorado was willing to join.

New Mexico was agreeable in that they believed the Gila River to be adequately provided for under the Boulder Dam act.

Mr. Crile said he and State Engineer Yeo had been asked by Governor Dillon to represent New Mexico at this conference; that he felt certain what Mr. Yeo had said would meet with the approval of the governor but that they could not commit Governor Dillon; that a wire would be forthcoming from Governor Dillon within a few days confirming their opinion in the matter.

Mr. Bacon, of California, said they did not wish to take any particular stand at the present time; that their relations with the present Arizona commission had been most cordial and they were in hopes of reaching an agreement between the three lower States in the near future.

Mr. Ross explained that they had just arrived and had not had time to familiarize themselves with what was before the meeting; that Arizona was now engaged in negotiations with California and he hoped that they would arrive at a compact but up to this time no discussion of this sort had arisen in all negotiations or with any of their commission. He said that the United States Congress had passed one act and he thought two, the first being that the Gila River had been released from the existing embargo on power development. Mr. Ross said that Arizona would not join in the resolution to the President.

Governor Dern said he thought Governor Emerson was willing to join according to his talk of the morning session. (Later confirmed by Governor Emerson.)

Mr. Malone said he did not want Nevada to be misunderstood but that it would not be advisable at this time to take any action that was not concurred in by the other two States as favoring anything that will prevent the ultimate fullest development of this river. He said they would do nothing to interfere with existing act but would like to be excused from expressing an opinion on this particular matter for that reason.

It seemed to be the general sentiment of the meeting that the representatives of the four upper basin States were free to take any steps in relation to an embargo on Federal power licenses which they felt met the situation.

Governor Dern said the next subject was the price basis of the Boulder Canyon power.

Mr. Wallace said that State Engineer Malone had spent much time and study on the question of power costs and prices and that they were fortunate in having him present and asked that he be heard.

Mr. Malone said there had been a meeting at Denver recently on the matter of fixing a price for this power as, in the Boulder Dam bill, it had never been clear, simply stating that it was to be sold for what it was worth. He said the conference at Denver was around what the power was worth in the power markets, but that they had not gotten far enough along to find out what would be the price from any of the bidders. If competitive conditions justify there should be a contract made for the power that would repay the Government all of its money together with interest and give Arizona and Nevada a small return. He said in the bill it was contemplated that power should be sold at its worth as power in power markets and that Nevada was working on that proposition at this time.

Mr. Wallace said that the Boulder Canyon act provided that contracts for power shall be made with a view to obtaining reasonable returns and it was his opinion that the power should be sold at a price fixed by competition.

Mr. Bacon of California said he did not agree nor did he disagree. He said that the California Railroad Commission had gone carefully into the matter of power costs and that they had figures for comparison; that the data were available on application.

Mr. Wallace read section 16 of the Boulder Dam act with reference to right to access to all records before the power is sold, and the right to advise the Secretary as to how the States feel about it; that means must be provided so that all may be satisfied with the sale of the power; that purchasers must pay exactly what it is worth.

Mr. Bacon of California said they proposed to determine the price of the power, then effort would be made to advise with Secretary of the Interior.

Governor Dern said that they could not hope to do anything here in the direction of fixing price for power, but that they could make a declaration of policy that the power should be sold on a competitive basis, set up the advisory machinery and make certain of the facts.

Mr. Ray said that the data should be assembled and that the cooperation of the States in the matter of advice and assisting the Secretary of the Interior should be had.

Mr. Bacon, of California, said that the Government was now making careful survey to determine some of those particular questions but that additional complications had arisen. At the last session of the California Legislature a law had passed regulating oil production and no one knew what effect it would have on the Colorado River matter. He said that the State railroad commission had accumulated some information and that it was available to this commission at all times.

Mr. Ray moved "that it be the sense of this body that the power generated in connection with the building of the Boulder Dam shall be sold in the open market on a competitive basis, competitive basis being the equivalent cost of power generated in the territory to be served."

Mr. Mathews said he had no doubt but that the Secretary would fix the price along the basis suggested by Mr. Wallace and Mr. Ray if they had any power to sell; that the Government could sell falling water, or just equip the dam. He said that California would not object at the right time to having the advisory machinery; that California's thought at the present time was simply purchase of the power, that project will not be started unless that is assured.

Mr. Ward said, assuming now that there is going to be a tri-State compact with California and Nevada, Arizona will second the motion made so that all can discuss any questions properly.

Mr. Malone said that Mr. Mathews did not make himself entirely clear and that all information would be gathered within the next 30 days in order to be presented before the Congress to secure an appropriation.

Mr. Mathews said he doubted if the basis on which power is to be disposed of can be defined according to terms of the act.

Mr. Ward said that he had never been at a conference where the price of power had been discussed.

Mr. Malone said there were three ways to provide for payment of cost of the project. Power could be sold at the switchboard, a price could be set on the falling water, or the Government might equip the dam with machinery and then lease same.

Mr. Ray said that the motion was made because it had been the feeling of the Utah delegates that the purpose of the bill is clearly that power generated by the Boulder Dam shall be sold in the market at such price as power is worth at that market.

Mr. Favour spoke on behalf of the resolution and read from the formal statement of Arizona's position in her negotiations with California to indicate that Arizona expected the price to be fixed be such as would bring a return in addition to the payment of cost of the project.

Mr. Malone said that before they could go before Congress and ask for an appropriation the price of power must be determined.

Mr. Wallace said that he did not wish to see California subsidized with a cheaper source of power than competitive conditions warranted.

Mr. Bacon, of California, said that when it came to a question of subsidy it was quite possible that the subsidy would be the other way and California have to subsidize the dam; that the highest figures submitted at the Denver meeting for purchase of power came from the city of Los Angeles water and power department. He said that the upper States are looking for a surplus revenue from the dam above that required to pay its costs, and that California was heartily in accord with having excess revenue go to the development of the entire river.

After some further discussion Governor Emerson said that he considered now the most opportune time to determine the basis on which prices of power should be fixed, and moved the adoption of the following substitute resolution:

"That it be the sense of this meeting that the price of power to be generated at Boulder Dam should be a fair price after all factors properly entering into the proposition of basis for fixing price are given due consideration, but that special consideration should be given to costs of and changes for power in the competitive field and also to the provisions in the congressional act authorizing the Boulder Dam project which refer to disposition of revenues accruing in amount beyond the actual costs of the project to the Federal Government."

Mr. Ray, with the consent of Mr. Ward, withdrew his motion and seconded the substitute by Governor Emerson.

Mr. Ross said that he understood the conference was called for the specific purpose, among others, of considering the price to be paid for power developed at Boulder Dam; that, while Arizona was not yet a party to the Santa Fe compact, negotiations were proceeding in a favorable manner, and he thought that it might be in order to give some expression in regard to this subject. He said that this question had been raised in the tri-State negotiations with California and

Nevada, and that it was the understanding of the Arizona commission that power was to be sold on a competitive basis.

After considerable further discussion Mr. Malone presented the following resolution, which was seconded by a number of the representatives:

"Whereas the proper administration and ultimate success of the development under the Boulder Dam project act is of vital interest to the respective States of the Colorado River Basin, and reposing confidence in the ability and integrity of the Secretary of the Interior and his commissioners of reclamation: Be it

"*Resolved*, That States here assembled stand ready to assist the Secretary of the Interior in an advisory capacity and in cooperation with him in the determination of ways and means of best carrying out the intentions of the Boulder Dam project act in the sale and allocation of the power and the disposal of the water developed by the project as contemplated by section 16 of the act."

Governor Emerson was of the opinion that the resolution by Mr. Malone did not cover the situation and that this was the right time for an expression of views on the sale of Boulder Dam power, and asked the adoption of his resolution.

Mr. Crile spoke in favor of power being sold at a competitive market price, and, there being a call for the question, vote was taken on the resolution of Governor Emerson and it was carried unanimously.

It was then suggested that a vote be also taken on Mr. Malone's resolution, which was done, and his resolution carried unanimously.

Mr. Ray said that it had been intimated that the Secretary of the Interior had been gathering data and information relative to power cost and sale price, and that the governors of the Colorado River States and their representatives should have access to this information.

Mr. Bacon, of California, said that he understood the gathering of the data was in the hands of a special board of consulting engineers consisting of Mr. Durand and Messrs. Wiley and Hill, but that he understood the data were not yet in shape for distribution.

Mr. Ray thought that representatives of the States were entitled to ask the Secretary for any information, and believed that the Secretary would be glad of advice as called for in the Boulder Dam act.

Mr. Yeo was of the opinion that no information would be ready until just before Congress assembled.

Mr. Ward said that while Arizona was not yet a party to the Santa Fe compact, it seemed to him that the governors of the States that had ratified the Santa Fe compact should request the Secretary of the Interior for such information as was available in regard to what price would be a proper one to charge under the resolution by Governor Emerson, adopted by this body.

It was moved by Mr. Wallace, and seconded by Governor Emerson, and carried unanimously that it was the sense of the meeting that the Secretary of the Interior be asked to make available to the representatives of the Colorado River Basin States such information as he was obtaining with reference to cost of power in markets competitive with the proposed Boulder Dam power.

There being no further business, the meeting adjourned.

GEO. M. BACON, *Secretary*.

Mr. HAYDEN. Mr. President, I believe that concludes the general remarks which I desire to make with respect to the pending item in the bill. Therefore I ask for a vote upon my amendment.

Mr. DILL. Mr. President, I desire to ask the Senator from Arizona one question.

I read in the discussion of this matter in the House that the city of Los Angeles could not legally hold a vote on this question. As I recall, the Congressman who made the argument said that the city council must find certain facts as to this contract—that is, that there were certain conditions existing that made it necessary—and that those facts could not be found, and therefore that it could not legally hold a referendum that would be binding? I wonder if the Senator is familiar with that argument?

Mr. HAYDEN. It seemed to me that, whatever it was, it fell to the ground from the fact that everybody knows that the city of Los Angeles must build a transmission line at the cost of some $30,000,000. That is a permanent improvement. If the city were to hold an election to vote bonds to build that transmission line, and at the time of holding the election took cognizance of these contracts, and the people voted the bonds with the understanding that it was necessary to carry out this contract, then, in my judgment, the city of Los Angeles would be bound.

Mr. DILL. But the Senator does not contend that the carrying out of the law requires the city to vote on the question of constructing its transmission lines?

Mr. HAYDEN. I do not see how they are going to raise the money in any other way than through a bond issue.

Mr. DILL. But, I say, there is nothing in the law that makes it necessary that the contracts shall include a requirement that the city of Los Angeles shall vote bonds to build transmission lines when the power is ready.

Mr. HAYDEN. No; but what we want is that the city of Los Angeles shall in some manner bind itself to stand behind these contracts. The situation, as I understand it, is that instead of the city entering into a contract, its bureau of power and light entered into a contract—a corporation within the larger corporation; that that bureau of power and light functions on annual appropriations made by the city council; that if the city council in any one year failed to appropriate money to the bureau of power and light, that bureau would have no money to pay the United States; and that if the United States then sought to enforce this contract, they would find that the title of all the property managed by the bureau of power and light is in the city of Los Angeles, and that its property could not be seized; that no mandate could be obtained from the court to compel an election to levy taxes, or anything of the kind.

Mr. DILL. But it is contended that there are revenues to the bureau of power and light greater than are needed to meet the demands of this contract.

Mr. HAYDEN. Yes; but any revenues received by the bureau of power and light are deposited in the city treasury, and they can not get out of the city treasury except by an appropriation of the common council to the bureau each year. If the common council of the city of Los Angeles fails to make the appropriation, the United States is helpless.

Mr. DILL. Mr. President, I have been very deeply interested in this legislation regarding Boulder Dam. I look upon it as one of the great developments of the Nation, a development that should be carried forward. I have always been anxious to protect the rights of Arizona, but I have not been willing always to vote in the way Arizona felt that legislators should vote on this measure.

I think that the danger of floods, the menace of floods in southern California, is such that unless Arizona's rights are being seriously injured, unless irreparable injury is being done to Arizona, I want to vote for this appropriation; and it seems to me that so far as Arizona's rights as to water are concerned, they will not be seriously affected until the building of the all-American canal.

As to these contracts, I am not sufficiently familiar with them to know whether or not——

Mr. FESS. Mr. President, will the Senator yield to me? I should like to ask a question. Like the Senator, I am interested in the rights of every State; but I wonder whether this legislation forecloses the rights of Arizona, in case she has rights. Is not the way open?

Mr. DILL. That is what I said about the rights to the water depending upon the building of the all-American canal. Until that canal is built, it seems beyond the realm of possibility that California can appropriate waters in sufficient amount to in any way endanger the rights of Arizona to the waters she claims she is entitled to receive, and that, as I said to the junior Senator from Arizona when he was making his argument, the argument on that subject would be much more pertinent and far more effective with me when we come to consider the appropriation of money for the all-American canal, because it is at that time that California's rights to water would actually be exercised, and Arizona would lose her rights to water.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Tennessee?

Mr. DILL. I yield to the Senator.

Mr. McKELLAR. As I stated to the Senator from Arizona before the committee, the courts are open. It is specifically provided that a suit of this kind can be brought in the Supreme Court of the United States.

Mr. FESS. That was the query I wish to propound.

Mr. McKELLAR. And that avenue, of course, is open to the State of Arizona.

Mr. DILL. I was just about to say, when the Senator from Ohio interrupted, that as to the legality of these contracts, I am not sufficiently familiar with them to determine fully in my own mind about them.

Mr. ASHURST. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Arizona?

Mr. DILL. I do.

Mr. ASHURST. Although it is unnecessary for me to say a word, since my colleague has covered this matter so fully, the Senator seems honestly seeking for information. The Senator is an able lawyer. Let us assume, now, that he is sitting in his law office in Spokane, where he is so highly honored. A client walks in and says, "DILL, I want to buy some bonds issued by one of the counties of your State." The board of supervisors called a meeting of the board, the clerk was present, the meeting was duly advertised, the vote was unanimous among

the board of supervisors, the bonds were issued and properly printed, in due and legal form, signed by the clerk, with the seal of the county affixed, and countersigned by the chairman of the board. The Senator, of course, great lawyer that he is, would say, "That is not sufficient. I want to see the constitution. Did the supervisors have the authority to issue these bonds?" He sees the constitution, and finds that it provides that no city or municipality shall incur any indebtedness except upon a plebiscite, or a vote of the people authorizing the bonds. The Senator would say to his clients, "I can not recommend the purchase of these bonds." That is all there is to it, as I see it.

Mr. DILL. Mr. President, let me say to the Senator that I read a part—not all, but a part—of the report of the eminent attorneys who made this investigation. I also read the opinion of the Attorney General on these contracts, and certainly it is a matter of grave doubt in the mind of any fair-minded man as to whether the contracts made with the bureau of power and light do fulfill the requirements of the law. But when that doubt exists, and Arizona declares—as she always has declared since I have known anything about the Boulder Dam proposal—that she will go into court to protect her rights, that she will go into court to prevent the building of this dam, and, in fact, I think a suit has already been begun, at least the papers say that a suit has been decided upon, on behalf of certain citizens of Arizona, to have an injunction issued because these contracts are not good—in the light of those facts, it seems to me we are not entirely overlooking the protection of the Government if we do go ahead and appropriate $10,000,000 and allow this matter to go to the courts.

The fact is that Arizona should go into court if her people feel, as I know they do feel, or did feel when I was in the State with the committee studying this question, and as her Senators and Representatives so ably have presented her case. The only basis on which they can go into court is to have an appropriation made, and an attempt to carry out the contract made by Government officials. Until that is done, Arizona has no way of getting into court. So paradoxical as it may seem, I believe that in voting for this appropriation I am really voting in behalf of Arizona, because it will permit her to go into the Supreme Court of the United States, and cause the Supreme Court to determine her rights under the Constitution and under this legislation.

For these reasons I think I shall vote against the amendment of the Senators from Arizona, much as I admire the fight they have made, and much as I admire the spirit in which they are making it.

I do not live in the southwestern part of the country, but I do live in the northwestern part of the country, and I recognize that in the action of Congress in connection with this great development precedents are being set up which will be pointed to in years to come. I am greatly interested in the development of the northwestern part of the United States, and I do not want to be a participant in action which may be pointed to in the future as justification for opposing me, or those with whom I work, when we try to secure things for the section of the country I represent.

Mr. PITTMAN. Mr. President, I would like to have reported the amendment offered by the junior Senator from Arizona.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. The Senator from Arizona offers the following amendment, on page 44, to strike out the section beginning in line 18 and ending on line 14, page 45, and on page 45, line 15, after the words "secondary projects," to insert the words "for cooperative and general investigations $1,000,000: *Provided*, That."

Mr. PITTMAN. Mr. President, the latter part of that amendment I suppose is really the second amendment. The first amendment is to strike out an appropriation carried in the bill of $10,660,000 for the institution of the work under the Boulder Canyon project act.

It would seem that there is only one question involved.

Mr. DILL. Mr. President, one Senator asked me to have a quorum called if any further speeches were to be made. Will the Senator yield for that purpose?

Mr. PITTMAN. I prefer not to.

Mr. DILL. I was only going to make the point because the Senator to whom I have referred asked it.

Mr. PITTMAN. I do not desire to discommode the Senators. I realize that this is largely a matter of record.

It seems that there is nothing involved now except the legal question. This is a deficiency appropriation bill. It carries numerous items of appropriations for the purpose of carrying out existing law. This $10,660,000 is to carry out the Boulder Dam project act, which is the existing law.

It is not necessary to discuss the facts and reasons which led to the passage of the Boulder Canyon project act; at least, it is immaterial in discussing whether this appropriation shall be granted or not. For nine years we discussed the provisions of the Boulder Canyon project act and finally passed it.

This $10,660,000 is essential to the building of the Boulder Dam. It has not anything on earth to do with the building of the all-American canal or any diversion works which would be used for the purpose of appropriating water of the Colorado River. That question may come before the Senate at some future time. At that time the question as to the division of water may or may not become pertinent.

At the present time there is just one question: Has the Boulder Canyon project act been complied with so as to justify Congress in making this appropriation? It is the duty of Congress, through its appropriation bills, to supply money to carry out existing law if the existing law is constitutional or if it requires means to carry it out.

How about this particular case? It is provided by section 4, subdivision (b), of the Boulder Canyon act as follows:

(b) Before any money is appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within 50 years from the date of the completion of said works of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

The Secretary of the Interior has reported that he has entered into those contracts in accordance with that section. He has stated that the contracts will return to the Government of the United States the money it invests, with 4 per cent interest, in 50 years.

Under the Boulder Canyon act the determination of those facts is left entirely to the discretion of the Secretary of the Interior. The Congress of the United States had to trust some one, so it trusted the Secretary of the Interior to protect the United States Government. I call attention to this language:

Adequate in his judgment to insure payment of all expenses.

The Secretary has reported that he has entered into contracts which are adequate, in his judgment, for the return of this money with interest. So that the act is complied with.

The State of Arizona, through its representative, raised a legal question with regard to those contracts, which was entirely proper, because if those contracts are not legal, then, of course, they would not be adequate, even though the Secretary thought they were adequate as far as their terms were concerned.

Able lawyers from Arizona, representing that State, appeared before the committee of the House opposing this very item. They raised the same questions which have been raised here to-day by the distinguished Senators from Arizona, that the contracts, in the first place, were only options, and that there was nothing binding the contractees to pay the full amount with interest. That question was contested, but to avoid that legal question, the Secretary of the Interior entered into supplemental contracts with the three contractees, in which they expressly admitted and contracted the obligation to pay the full amount.

Then, the other question arose as to whether or not the Los Angeles Water and Power Bureau had the authority to enter into this contract. That is the only question which could be raised, because the Secretary of the Interior, in the exercise of his discretion and judgment, granted in the act, had stated that the Los Angeles Power and Water Bureau had the money, that they were financially liable, and therefore the only question was whether that bureau had the legal authority to enter into the contract.

As that matter was contested, the Secretary of the Interior referred the questions to the Attorney General of the United States, who is the legal adviser of the Federal Government, the legal adviser of every department. On June 9 he filed an exhaustive opinion in answer to all of these questions. I will read just part of that opinion, to show that this question is entirely covered. This is addressed to the President, the White House, and reads:

SIR: I have the honor to acknowledge receipt of your communication of June 6, 1930, transmitting a letter dated June 6, 1930, from the Secretary of the Interior advising that, as required by section 4 (b) of the Boulder Canyon project act (45 Stat. 1057) a contract has been secured with the city of Los Angeles, its department of water and power, and the Southern California Edison Co. (Ltd.), which will provide revenue adequate in his judgment to pay operation and maintenance

costs and insure repayment to the United States within 50 years from the completion of the dam, power plant, and related works of all amounts to be advanced for the construction of such works, together with the interest thereon made reimbursable by the act, and that in addition two contracts have been secured with the Metropolitan Water District of Southern California which will provide additional revenues for such purpose, and requesting that the opinion of the Attorney General be obtained as to whether or not these contracts comply with all the requirements of section 4 (b) of the Boulder Canyon project act which are by that section made conditions precedent to the appropriation of money, the making of contracts, and the commencement of work for the construction of a dam and power plant in Boulder Canyon.

He then quotes the section which I have just read, granting authority to the Secretary of the Interior to enter into contracts and stating what must be contained in the contracts. After discussing all of the opinions and objections to the legality of the contracts, he concludes as follows:

The city acting through its department of water and power will be under the necessity to construct transmission lines over which the power for which it has agreed to pay may be transmitted, but in so far as the parties to this contract are concerned it is under no express obligation to do so. Under no circumstances will it be necessary for the city to construct transmission lines in advance of the completion of the dam and generating equipment; and if, therefore, it appears that during this period it will be able to finance such construction out of current revenues of its department of water and power, I am of the opinion that no legal objection can be made to the contract as amended because of the necessity or liability which may arise to defray these construction costs.

Consideration of these authorities leads to the conclusion that the department of water and power has not incurred a present liability upon the execution of these contracts, and therefore the only effect of section 369 is to require the appropriation in each annual budget of sufficient funds from the water and power revenues to meet the obligations which will arise under and in connection with the performance of these contracts. Inasmuch as the Secretary of the Interior is clearly of the opinion that such funds will be available and ample for all such purposes, I see no reason for doubting the validity of the contract or for questioning its effect in securing payment to the United States of the amounts of money which will become payable under its terms.

With reference to the validity of the obligation assumed by the Southern California Edison Co. (Ltd.), its execution of the original contract has been formally approved by its board of directors, and I am informed that the supplemental contract has been duly ratified by the board. There can be no question, therefore, as to the binding effect of this contract upon this corporation.

By the supplemental agreement amending the original "contract for lease of power privilege" all objections which might have been raised to the validity of this contract upon the ground that the city, the department of water and power, and the company were not bound to take or pay for any electrical energy except as they might wish, have been removed. Mutuality of obligation is not lacking, and the city and its department are firmly bound to take and/or pay for certain percentages of firm energy as stated and defined in the supplemental contract, and the company is similarly bound to take or pay for certain percentages of such energy which are also defined and stated in the supplemental contract.

The "contract for lease of power privilege" between the United States, the city of Los Angeles, its department of water and power, and the Southern California Edison Co. (Ltd.) is, in my opinion, a valid agreement binding upon the city and its department to the extent to which funds are available under the provisions of the charter to the department, and is in full compliance with section 4 (b) of the Boulder Canyon project act, since the revenues which it will provide out of such funds are, in the judgment of the Secretary of the Interior, adequate to meet the requirements of that section.

Objection has been made to the Metropolitan Water District power contract on the ground that the district has not yet voted bonds to provide funds to build the aqueduct on which this power would be used. It is unnecessary to consider which step must precede the other—provision for the aqueduct or provision for power and water—in view of the sufficiency of the city and company contracts to meet all requirements of the act. Even if the aqueduct financing were construed as being a prerequisite, the Secretary's reservation of energy for the district is within his authority under the second paragraph of section 5 (c) of the act.

Giving consideration only to the city and company contract, I am of the opinion that all the requirements of section 4 (b) of the Boulder Dam project act which are made conditions precedent to the appropriation of money, the making of contracts, and the commencement of work for the construction of a dam and power plant in Boulder Canyon have been fully met and performed by the Secretary of the Interior in securing the contracts referred to in his letter.

Respectfully,

WILLIAM D. MITCHELL,
Attorney General.

Mr. President, the Attorney General has passed upon a provision intended to protect the United States in the return of this money. The United States Government is primarily interested in that matter. The States of Arizona, California, and Nevada are primarily interested in the benefits to be derived from the building of the dam and power plant. Whether the Government of the United States in building public works shall require the return of the money or not is a policy that is to be determined by Congress. It does not always make such a requirement. In this case it has required the return of the money with interest.

There may be a difference of opinion as to the legality of a contract, but in this case the Attorney General of the United States is the officer selected by the President to advise finally with regard to these matters. The Attorney General of the United States has unequivocally advised that the contracts are legal, that the Secretary of the Interior has done everything required of him under the Boulder Canyon project act to entitle him to begin work. Therefore there seems to be no remedy. Certainly we can not go back to the question of whether this clause or that clause of the Boulder Canyon project act is good or bad, because that fight lasted too many years.

As I have said, Congress is obligated to furnish money to carry out existing law, and this is existing law. The matter was thoroughly studied by the House Committee on Appropriations. It was quite freely debated in the House of Representatives. They refused all of the amendments which the Senators from Arizona are now offering. They sent the bill to us with the appropriation in it. That is where we stand now. I am sympathetic with Arizona in some of its contentions, as I have been for years. I do not think, however, that Arizona has suffered to the extent that some of her citizens seems to feel she has suffered. It is true that Arizona at the time she refused to ratify the 7-State compact started the fight for some compensation in lieu of taxation, but I do not want her to think that Nevada was forced into supporting her in that contention.

In 1925 I offered an amendment to the Swing-Johnson bill reserving 100,000 horsepower to the State of Nevada subject to call in amount and at times required and at Government price. The Senators from California and the commissioners from California agreed to accept that amendment. We have at last received more than that amount of reserved horsepower. We have received 18 per cent of all of the firm horsepower. That is held and reserved for us by the contracts until we need it, to be called for in amount and when and as we need it, and only then to be paid for.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. I yield.

Mr. DILL. I questioned the Senator from Arizona [Mr. HAYDEN] about the sales price of the power under these contracts. I would like to have the interpretation of the Senator from Nevada as to the selling price of the power when it is not taken by the municipalities or the States, and whether, if it is not taken by either of them, it is then to be delivered to the private purchaser and at what price?

Mr. PITTMAN. The contract naturally deals only with firm horsepower. That is power that can always be counted on; that is power which, if it is contracted to be purchased, the purchaser can freely contract to sell. The amount of firm horsepower has been estimated at something like 4,200,000,000 kilowatt-hours. There will be a great deal more power than that generated which is known as secondary power. That horsepower will not be regular, it will not be certain, and therefore it is not as valuable as firm horsepower. One may not contract to deliver power to a manufacturing concern unless he can deliver it, and if he has a part of the time to make up his secondary horsepower by steam power, it is not so valuable.

There was an impression that if the 36 per cent of power allocated to Arizona and Nevada was not taken it instantly became secondary power. That is not true. Why? Because in the contract they have contracted to take all of the firm horsepower at the price of firm horsepower, and as and when Nevada and Arizona call for any of that Nevada and Arizona are charged for it as firm horsepower, and that amount is deducted from the Los Angeles contract.

The result is that the only power available is a surplus over and above the 4,200,000,000 kilowatts that is called secondary

horsepower. I am in hopes that Arizona and California will have use in their States for most of that secondary horsepower; in fact, I think there is going to be the principal market for it, because I can not see how anyone can prepare to carry an uncertain amount of horsepower 300 miles to market.

Nevada did not get all that she asked for under the contracts. I have argued before the Secretary of the Interior that he was not properly using the discretion Congress gave him in the Boulder Canyon project act. I felt that the development of Arizona and Nevada should be protected to the full extent, not of 18 per cent, but 33⅓ per cent, and if those requirements for development never exceeded this amount Los Angeles would always have it, but if the requirements did arise, then Nevada and Arizona should have it. However, Mr. President, the discretion did and does now rest in the Secretary of the Interior. He had the right to decide under the act for which I voted as to whether or not our requirements were 33⅓ per cent or 18 per cent, and he decided that question. I think he has decided it wrong, but it is a past incident; it has gone; and he had the discretion to do it.

He estimates that the States of California and Nevada will receive from three hundred and fifty to four hundred thousand dollars annually from the surplus in this transaction. There may be some doubt about that; it is, of course, but an estimate, though I wish to say that our engineers do not disagree with him materially in the estimate.

I feel, as I wrote to the Senator from Wyoming [Mr. KENDRICK] as a member of the committee, that while we have not received what we consider full justice, we realize that that is a very difficult thing to obtain in such a conflict as has existed for seven or eight years.

We do know that the primary purpose of the construction of the dam at Boulder Canyon is to prevent the destruction of Imperial Valley and also to prevent parts of Arizona from actual ruin, probably with the loss of many human lives. It is known that the only way on earth that such destruction can be prevented is by the impounding of these waters. We have always admitted that it was the duty of the Government to build the dam for that purpose. Whether it be built only high enough to impound the waters or high enough incidentally to generate hydroelectric energy and to irrigate land is a question of policy for Congress to decide. Congress has decided it, but, in any event, it was the duty of the Government to build this protective dam, and it had every constitutional right to do so without the consent or approval of any State whatsoever.

Congress would not let the States do the work, but Congress passed an act proposing at the same time to protect the development of those States. I think, inasmuch as this appropriation deals only with the construction of a dam, which is essential, and does not deal at all with the all-American canal project or the diversion of the water to California, there should be no hesitation about it.

Most of the arguments which have been made here might have applied to the Government appropriating $55,000,000 to divert water to California, but they do not apply to the building of this dam. I hope that this long fight may now be ended. If Arizona does not agree with the opinion of the Attorney General and with the vote of the House of Representatives and what, I think, will be the vote of the Senate in a few moments, as has been stated, the Supreme Court of the United States is open to the State of Arizona. Whether that court shall decide that the contracts are constitutional or not, a dam must be built there. A dam of any kind or character can not be built there, whether under this proposed act or another, until the necessary roads shall have been constructed, until the necessary quarters for workers shall have been erected. That is the purpose of the appropriation of this money, and I think the provision in the bill should be adopted without any further delay.

Mr. ODDIE. Mr. President, on the question of Boulder Dam I have spoken a number of times on the floor of the Senate during the last few years. We are about to vote on the motion of the Senator from Arizona to strike from the pending second deficiency appropriation bill the appropriation necessary for the commencement of the Boulder Dam. I hope that motion will not prevail. I have argued time and again for the building of this dam, and I hope that its construction will soon be begun. I feel sure it will be commenced in a very short time, as soon as we can pass this bill.

A few days ago I made a statement before the Senate Committee on Appropriations, which was then considering the pending deficiency appropriation bill. That statement, from page 52 to page 54 of the hearings, covers my position in the matter quite fully, and I ask that it may be printed in the RECORD. I included in my statement the correspondence I have had with the Secretary of the Interior, copies of the power contracts, and so forth. I will not ask that these data be placed in the RECORD, because they have already been printed in the second deficiency appropriation bill hearings for 1930, pages 52 to 129.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

STATEMENT OF HON. TASKER L. ODDIE, A SENATOR FROM THE STATE OF NEVADA

BOULDER DAM

Senator ODDIE. Mr. Chairman, with the permission of the committee, I should like to make a statement in regard to the Boulder Dam appropriation in the deficiency appropriation bill.

The Boulder Canyon project act was passed principally to provide for adequate flood control of the waters of the Colorado River, thereby removing the menace of floods from the Imperial Valley.

Contending and conflicting interests resulted in delaying the enactment of this legislation for many years, and during this entire period the Imperial Valley was continuously subjected to the risks of devastating floods.

The Secretary of the Interior has made contracts for the sale of power which the Attorney General reports are legal, and that the revenues provided for under these contracts will, under the terms of the act, fully return the cost of the dam to the Government.

Hon. Fred B. Balzar, Governor of Nevada, and chairman of the Nevada Colorado River Development Commission, has notified me that the power contracts carry provisions beneficial to the State, and that the next most important step in the development is the enactment of the initial appropriation of $10,660,000 now before this committee for consideration so that construction work on the project may begin without delay.

The Nevada press is uniformly in favor of proceeding at once, and desire that this appropriation be made available at the present session of Congress. As I have said, the act was passed mainly to provide for flood control, and the Imperial Valley is still without protection. The development of electric power was a secondary consideration, and consequently the question of a division of the power between all parties at interest is not of the same magnitude as the question of expediting the construction of Boulder Dam. The question of providing flood control involves the protection of life as well as property, and therefore transcends the question of power division, which is largely of material concern. However, the division of power should be as equitable as conditions will permit.

I have contended, and it is generally held in the State, that Nevada should have had at least 18 per cent of the secondary power to be sold at 0.5 mill per kilowatt-hour. The contracts allocate all of the secondary power to California interests and none to Nevada. Later Nevada may ultimately be in the position of having to bid higher prices for the secondary power, thus paying tribute and profit to the California interests to whom it is allocated.

However, in view of the benefits to Nevada under the contracts as negotiated, the indorsement of the governor and the Nevada press, and because of the paramount importance of providing flood control in the Colorado River at the earliest possible date, I am willing to subordinate the question of power division and unhesitatingly urge upon the committee a favorable report on the appropriation of $10,660,000, as estimated by the Secretary of the Interior as necessary to commence the work.

During the protracted negotiations with the Secretary of the Interior I have had occasion to write him from time to time urging the importance of including in the power contracts provisions which would adequately and equitably safeguard the interests of Nevada under the provisions of the Boulder Canyon project act. Under the Secretary's first and tentative allocation of October 14, 1929, Nevada received scant consideration in the allocation of power. At the public hearing of November 12, 1929, I made a detailed analysis of the Secretary's first tentative allocation and offered some suggestions, some of which, together with provisions requested in subsequent letters, were adopted and incorporated in the final contracts.

Under the contracts as negotiated, Nevada has—

1. The option of assuming one-third of the financial burden of the entire Government investment and cost of power plant and equipment by making a firm contract for one-third of all of the power (primary and secondary) to be developed at the dam; or

2. Without assuming any financial burden in advance, to withdraw 18 per cent of the primary power and in the event Arizona does not consume her 18 per cent within 20 years, an additional 4 per cent, making a total of 22 per cent of the primary power. Under this option Nevada may withdraw or relinquish power on reasonable periods of notice to the Secretary of the Interior. Nevada is to receive the power at 1.63 mills per kilowatt-hour for falling-water energy and an additional cost to cover the investment in the power machinery and its cost of operation and maintenance.

3. Also under the contracts and under the provisions of the Boulder Canyon project act, Nevada is to receive a share in the revenues above

the amount necessary to reimburse the cost of the project to the Government, and it is estimated that Nevada will receive from $20,000,000 to $30,000,000 during the 50-year amortization period, depending upon the extent to which power and water are sold.

I herewith submit my correspondence with the Secretary of the Interior for publication in the record, as it will show more in detail my position in the matter and the status of Nevada with respect to the entire development, and I sincerely hope that the committee will report favorably the appropriation requested by the Secretary of the Interior and indorsed by the Director of the Budget.

Mr. ODDIE. Mr. President. The primary purpose of building the Boulder Dam is for flood control. The question of power, no matter how important, is but secondary. The Imperial Valley is imperiled. It is necessary that this appropriation be made by Congress and that this dam shall be built without delay. I, therefore, earnestly hope that the provision carried in the deficiency bill for the commencement of construction of the Boulder Canyon Dam may be agreed to as therein written.

Mr. JOHNSON. Mr. President, it is far from my purpose to discuss in detail any of the matters which have been so eloquently dwelt upon by the Senators from Arizona. To-day, sir, is the culmination of eight years of contest by which finally the amount of money that is required for the initial purpose shall be voted by the Congress of the United States for an undertaking that in its character is the greatest in all the world. It has been a part of my legislative career, Mr. President, so I thought it fitting in the closing moments of the debate to express myself concerning this enterprise, and to say to the Senate and to the Congress, aye, to those of the administration who have acted in accord with us something of the appreciation and the gratitude that fills the hearts of those in the Imperial Valley and the territory adjacent thereto who look for rescue under this measure and by virtue of this appropriation.

I take it, of course, Mr. President, that a Congress that has authorized an appropriation and authorized a project such as the Boulder Dam project will not deny, unless for the most cogent reasons, the appropriation that is essential for the initial purposes of that project. No cogent reason, sir, in my opinion, has been advanced why the initial appropriation should not be accorded.

I call to your attention, Mr. President, that we passed the bill after six years of contest, a contest, indeed, that is memorable in the history of this body, where there have been many memorable contests. We passed it with this authorization and we surrounded it with safeguards such as no other project on which this Government has embarked has ever been surrounded. So careful were we of the expense which might be entailed upon the United States Government that we made it obligatory that the Secretary of the Interior should have upon hand the contracts which would enable him fully to meet all expenses, and we left with him, of course, the discretion, which had to be in some place reposed, of making the contracts which would be essential finally to pay all the money that might be expended upon this great project.

The facts are—and they are admitted—that the Secretary of the Interior has made those contracts. Under the particular appropriation contained in this bill those contracts are assailed by our friends from Arizona; they are assailed upon various grounds. I do not intend to consume the time of the Senate discussing those grounds. Sufficient unto the particular proposition is it to say, first, that the Secretary of the Interior, upon whom the discretion rested to enter into the contracts, has made the contracts and has said that they afford full and ample protection to the Government of the United States. Beyond that, the chief law officer of the United States Government, the Attorney General, has approved the contracts and said they are valid and outstanding obligations against those with whom the contracts have been made. Therefore, sir, every provision of the act has been complied with. Contracts have been made which will pay for every penny that the United States Government may expend upon this great undertaking, and to-day the initial amount is asked in order that the project shall proceed.

The Senator from Arizona introduced for printing in the RECORD remarks prepared by the Senator from Utah [Mr. SMOOT], an implacable foe of this project all the time it was pending in this body, and yet, in the first paragraph of the remarks of the Senator from Utah, he says:

I propose to vote for this preliminary appropriation for the Boulder Canyon project.

In a way that is quite in keeping with the temperament of the Senator from Utah, he adds:

I propose to do this, not because I think the Boulder Dam project is a wise undertaking or one which should be undertaken by the Federal Government but because Congress has authorized it, and since it is to be undertaken at some time, I see no reason for withholding the appropriation at this time.

So the most implacable foe the project has had—outside, of course, of our friends from Arizona—is for this appropriation.

Beyond that it is an undertaking that fires the imagination of man. Here is a project greater than ever before has been contemplated by engineers or by government; here is something that protects not only property but life too; here, indeed, is an undertaking by the United States Government that beggars description in its possibilities in the future, and which, in comparison with every undertaking of like character all over this earth, has nothing of its sort in all the world. To deny the appropriation when the Attorney General of the United States has insisted that it be accorded because of objections to the contracts, when the Secretary of the Interior is satisfied that the United States Government is wholly protected and will not be out a single penny because of this construction, would be a wrong, sir, that I do not for one instant believe the Senate would contemplate.

As a part of my remarks, and in conclusion, I ask permission to have printed in the RECORD the letter of the Secretary of the Interior of June 16 to the Committee on Appropriations, his letter of June 17 to the Committee on Appropriations, and the letter that was written by the Department of the Interior on May 14 last to the Governor of Arizona.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters referred to are as follows:

THE SECRETARY OF THE INTERIOR,
Washington, June 16, 1930.

The CHAIRMAN COMMITTEE ON APPROPRIATIONS,
United States Senate.

MY DEAR MR. CHAIRMAN: Estimates for construction work on the dam and incidental works authorized by the Boulder Canyon project act (45 Stat. 1057) for the fiscal year commencing July 1, 1930, have been submitted to Congress and referred to your committee. The amount asked is $10,660,000. I recommend the appropriation of that amount and will, if it is appropriated, direct the early commencement of construction.

All conditions required by the Boulder Canyon project act to be performed prior to appropriation for such construction have been fulfilled. There are four such conditions, as follows:

(1) As required by section 4 (a) of the Boulder Canyon project act, six of the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, including the State of California, ratified the Colorado River compact, mentioned in section 13 of the act, and consented to waive the provisions of the first paragraph of Article XI of the compact, which makes the same binding and obligatory only when approved by each of the seven States signatory thereto, and approved the compact without conditions, save that of such 6-State approval.

Copies of the statutes of the six States of California, Colorado, Nevada, New Mexico, Utah, and Wyoming effecting such ratification are handed to this committee herewith.

(2) As provided by section 4 (a) of the act, the President, by public proclamation dated June 25, 1929, has declared the approval of the compact by six States, including California.

True copy of the proclamation is handed the committee herewith.

(3) As required by section 4 (a) of the act, the State of California, in the statute copy of which has been handed you, has agreed irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming that the aggregate annual consumptive use of water of and from the Colorado River shall not exceed 4,400,000 acre-feet of the waters apportioned to the lower basin States by paragraph A of Article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by the compact, such uses always to be subject to the terms of the compact.

(4) As required by section 4 (b of the Boulder Canyon project act I have made provision for revenues by contract in accordance with the provisions of the act, adequate, in my judgment, to insure payment of all expenses of operation and maintenance of the dam and power plant incurred by the United States, and the repayment within 50 years from the date of the completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of section 2 of the project act for such works, together with interest thereon made reimbursable under that act.

These contracts are two in number: (1) A contract for lease of power privilege executed severally by the city of Los Angeles and the Southern California Edison Co. (Ltd.), and (2) a contract for electrical energy executed by the Metropolitan Water District of Southern California. In addition, under authority of section 5 of the act, I have executed with the Metropolitan Water District of Southern California a contract for the delivery of water to be stored in the Boulder Canyon Reservoir.

True copies of the two power contracts required by section 4 (b) of the act, and of the contract for delivery of water, are submitted to the committee herewith.

With particular reference to the power contracts I wish to advise you that:

(a) The power contracts between the United States and the Metropolitan Water District of Southern California, the city of Los Angeles, and the Southern California Edison Co. (Ltd.) are adequate in my judgment to insure payment of all expenses of operation and maintenance of the dam and power plant incurred by the United States and the repayment within 50 years from the date of the completion of said works of all amounts advanced to the Colorado River dam fund under subdivision (b) of section 2 of the project act for such works, together with interest thereon reimbursable under that act. This finding applies to the contracts both as originally drawn and amended as suggested before the House Committee on Appropriations.

(b) The finding stated above is reported to you regardless of whether the city of Los Angeles, or only its department of water and power, or both the city and the department as separate entities are thereby obligated.

(c) The finding stated in paragraph (a) would be reported to you regardless of whether or not the Metropolitan Water District of Southern California were thereby obligated.

As required by Senate Joint Resolution 164, Seventieth Congress, approved May 29, 1928 (45 Stat. 1011), the Secretary of the Interior, with the sanction and approval of the President, appointed a board of five eminent engineers and geologists, one of whom is an engineer officer of the Army on the retired list, who examined the proposed site of the dam to be constructed under the Boulder Canyon project act, reviewed the plans and estimates made therefor, advised the Secretary as to matters affecting the safety, the economic and engineering feasibility, and adequacy of the proposed structure and incidental works, and approved the plans for construction to date. Plans are proceeding satisfactorily, and construction can start as soon as this appropriation is available.

Report of this board (commonly known as the Sibert Board) was submitted to the Secretary November 24, 1928, and transmitted by him to the Speaker of the House on December 3, 1928. The Boulder Canyon project act thereafter became law. A supplemental report of the board was submitted to the Secretary on April 16, 1930.

True copies of both reports are handed to this committee herewith.

Annexed to this report, as a part of it, are two memoranda on the following subjects:

I. Financial operation of the project.

II. Analysis of the power contracts.

Submitted separately are the following memoranda:

ENGINEERING

1. Present status of Boulder Dam designs.
2. Hydrology of Boulder Canyon Reservoir.
3. Basis of the rates for power.
4. Charts on financial operation.

LEGAL

1. Opinion of the Attorney General on authority of the contractors and minimum obligations of the contracts.
2. Opinion of the Attorney General on funds required by the act to be repaid.
3. Opinion by the Solicitor of the Interior Department on 16 questions involving construction of the act.

ECONOMIC

1. Audit of the Los Angeles Bureau of Power and Light, 1929.
2. Annual Report of the Southern California Edison Co., 1929.

Very truly yours,

FINANCIAL OPERATION OF BOULDER CANYON PROJECT

(Statement accompanying report of the Secretary of the Interior to the Committee on Appropriations)

(1) Revenue from 64 per cent of firm energy alone will more than repay the entire estimated cost of the project in 50 years, exclusive of the $25,000,000 allocated to flood control.

The financial situation in case only 64 per cent of firm energy were paid for, and no secondary energy and no water sold, would be as follows:

FINANCIAL OPERATION—BOULDER CANYON PROJECT

(Table No. 4, Plate No. 12)

Revenue from 64 per cent of firm energy only.

No revenue from sale of water.

No revenue from sale of secondary energy.

Machinery investment repaid separately by lessees of power plant within 10 years.

Repayment of $25,000,000 allocated to flood control, including interest charges thereon deferred.

Repayment period, 50 years.

Revenue from sale of 64 per cent of firm energy at 1.63 mills per kilowatt-hour		$209,406,100
Operation and maintenance	$7,132,902	
Depreciation	8,641,293	
Interest charges on all except the $25,000,000 allocated to flood control	106,289,395	
Interest on accumulated deficit	2,714,542	
Repayment (exclusive of flood control)	81,273,674	
Payments to Arizona and Nevada	1,257,558	
		207,309,464
Surplus		2,096,636

The income, above stated, for 64 per cent of the firm energy accords with the minimum obligations of the city (37 per cent) and company (27 per cent), and would be derived as follows:

Table No. 4, Plate No. 12

City of Los Angeles	$121,057,666
Southern California Edison Co	88,348,434
Total	209,406,100

(2) There is, however, under these contracts a firm obligation to pay for 100 per cent of all firm energy, which would result as follows:

FINANCIAL OPERATION, BOULDER CANYON PROJECT

Table No. 1, Plate No. 9

Revenue from 100 per cent of firm energy only.

No revenue from sale of water.

No revenue from sale of secondary energy.

Machinery investment repaid separately by lessees of power plant within 10 years.

Repayment period, 50 years.

Gross revenue from sale of energy, at 1.63 mills per kilowatt-hour		$327,866,350
Operation and maintenance	$7,262,857	
Depreciation	8,875,553	
Interest charges on all except the $25,000,000 allocated to flood control	108,107,007	
Repayment (exclusive of flood control)	82,674,907	
Interest charges on flood control	20,981,303	
Interest charges on accumulated deficit	63,973	
Repayment of flood control	25,000,000	
Payments to Arizona and Nevada	45,330,881	
		298,296,181
Surplus		29,570,169

NOTE.—If surplus is applied to repayment, the entire cost of the project would be repaid in about 43 years.

In this case the revenue would be derived as follows:

Table No. 1, Plate No. 9

City of Los Angeles	$121,310,549
Metropolitan Water District	118,031,886
Southern California Edison Co	88,523,915
Total	327,866,350

The revenue from all firm energy alone will repay the entire estimated cost of the project and give Arizona and Nevada an average of $450,000 per year each, in addition to amortizing the flood-control allocation.

In the 50-year period following completion of the dam in excess of $29,000,000 would be paid into the Colorado River Dam fund from these power revenues, excluding revenue from water.

The income stated above, from power only, would appear as follows if an average of 1,550,000,000 kilowatt-hours of secondary energy were taken in addition:

Table No. 3, Plate No. 11

City of Los Angeles	$133,625,075
Metropolitan Water District	130,013,586
Southern California Edison Co	97,510,189
Total	361,148,850

In the 50-year period in excess of $50,000,000 would be paid into the Colorado River Dam fund from these power revenues, excluding revenue from water, and the average annual payment to Arizona and to Nevada would be in excess of $550,000 each.

(3) The estimates of cost included in the above data are as follows:

Estimated cost of Boulder Canyon project exclusive of interest during construction	$109,446,000
Interest during construction	11,554,000
Total estimated cost	121,000,000
Amount added to cover cost of raising dam 25 feet (Sibert Board said higher dam can be built within original estimate)	4,392,000
	125,392,000
Less $25,000,000 allocated to flood control	25,000,000
	100,392,000
Less cost of machinery which is to be repaid separately in 10 years	17,717,000
Net investment, exclusive of $25,000,000 allocated to flood control and investment in machinery	82,675,000

These estimates of cost are made sufficiently high to include the following safety factors:

	Per cent
15 per cent allowed for contingencies in original estimates becomes 17.5 per cent due to fact that machinery is to be repaid separately	17.5
$4,392,000 added to cover cost of 25-foot raise in height of dam Sibert Board says higher dam can be built within estimates for low dam)	4.2
Placing power plant on both sides of river will shorten tunnels and save $3,600,000	3.5
Additional head due to scour of river channel 20 feet	3.8
	29.0

(4) It has been stated that income from firm energy allocated to the city and company would, alone, be adequate. The average annual payments for firm energy by each will be approximately:

City	$2,427,070
Company	1,770,180

With reference to the amount of the city payment, please see audit which has been submitted of the accounts of the city's bureau of power and light for the year ending June 30, 1929, from which it appears that:

A surplus of $3,626,972.23 was available after payment to the Edison Co. for energy which Boulder Dam purchases will supplant in the amount of $3,422,642.37, or a total which would have been available for purchase of Boulder Dam energy of $7,049,614.60, as compared with an actual average bill due the United States for firm energy of $2,427,070, and without, of course, depleting the bureau's surplus built entirely out of power revenues of $24,024,249.75. And see the certified Edison Co. statement that the Edison Co. carried to surplus, $15,701,283.06, had total assets of $361,266,756.34.

(5) "Firm energy" as used above represents 4,330,000,000 kilowatt-hours per year, upon completion of the dam, which will raise the water surface 582 feet, as authorized by the Sibert Board. This amount of firm energy will decrease at the rate of 8,760,000 kilowatt-hours per year due to upstream consumptive use of water. This estimate of available firm energy is based upon exhaustive hydrographic studies of the river, and will not encroach on flood control. The annual decrease just stated is taken into consideration in the revenue estimates.

(6) The quoted estimates of the financial operation of the Boulder Canyon project are based upon a rate for firm energy of 1.63 mills and 0.5 mill for secondary energy. The act provides for readjustment of these rates 15 years from execution of the contracts and every 10 years thereafter "upon the demand of either party thereto." As the readjustment so provided for is to be "either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers," the future maintenance of the rates now set is a matter which can not be determined in advance.

ANALYSIS OF THE BOULDER DAM POWER CONTRACTS

A lease with the city of Los Angeles and the Southern California Edison Co. and a contract for electrical energy with the Metropolitan Water District.

(Statement accompanying report of the Secretary of the Interior to the Committ on Appropriations:)

GENERAL

One hundred per cent of the firm energy generated at Boulder Dam is guaranteed to be paid for under these contracts, although 36 per cent for Nevada and Arizona, and 6 per cent for smaller cities must be yielded if demanded. The city's obligation is 37 per cent (13 per cent for itself, 6 per cent for other municipalities, and one-half of the 36 per cent allocated to the States until they use it). The company's obligation is 27 per cent (9 per cent for itself and other utilities, plus payment for one-half the unused State power until the States require it). The district's is 36 per cent. The total amounts received by the United States under the 2-power contracts (if the power rates of 1.63 mills per kilowatt-hour for falling water for generation of firm energy and 0.5 mill for water for secondary energy, fixed under the contracts, continue to be justified by competitive conditions when the rates are readjusted as required by the act) will vary between $327,000,000 and $361,000,000, depending upon the quantity of secondary energy and stored water sold.

The Metropolitan Water District is a municipal corporation now comprising 12 cities in southern California, with an assessed valuation in excess of $2,300,000,000.

The city of Los Angeles is now in the power business and its total payments for purchase of power from other sources which Boulder Dam energy will supplant are in excess of the amounts which will be annually due the United States. In the operation of this power department it is adding over $3,000,000 each year to its present surplus of over $20,000,000.

The Southern California Edison Co. has assets in excess of $300,000,000, is owned by 123,000 stockholders, and serves 450,000 consumers.

If these rates continue, performance by the two lessees will amortize the estimated cost within the required 50 years from completion of the dam, regardless of performance of any other allottee of power and regardless of whether any secondary energy or stored water is sold. Similarly performance by the Metropolitan Water District and the city of Los Angeles, even if all other allottees fail, will accomplish this result. Similarly performance by the company and by the district under its power and water contracts will suffice even if all other contractors fail. These statements are based on maintenance of the rates established in the power contracts; these rates are, however, under the terms of section 5 of the act, subject to adjustment 15 years from the date of execution and each 10 years thereafter, either upward or downward, as may be justified by competitive conditions at distributing points or competitive centers.

As the price, as readjusted, can not exceed the standard fixed by competitive conditions at distributing points for competitive centers, these estimates are necessarily conditioned on maintenance of the present prices of competitive energy.

In the event that only two of these three primary contractors perform, postponement of amortization of some part of the flood-control allocation will be required, but such postponement is permissible under the opinion of the Attorney General.

The rate fixed for storage of water for the Metropolitan Water District is 25 cents per acre-foot.

On the basis of the rates now set and the estimated costs there will have been paid into the Colorado River Dam fund out of excess revenues during the 50 years following completion of the dam, as provided in section 2 (b) of the act, between $29,000,000 and $66,000,000, depending on the quantity of secondary energy and stored water sold.

During the same period there will have been paid to each of the States of Arizona and Nevada under section 4 (b) of the act between $22,000,000 and $31,000,000, depending on the same factors.

The amount which would be paid by the Metropolitan Water District for power and water under present rates, if they should continue to be justified by competitive conditions, during the 50-year period would vary between $118,000,000 and $130,000,000. The amount similarly paid by the city of Los Angeles and the smaller municipalities would vary between $121,000,000 and $133,000,000, and the amount similarly paid by the utilities for their smaller allocation would vary between $88,000,000 and $97,000,000.

None of these contracts become effective until the first act of Congress making an appropriation for construction of the dam has become law.

Particular provisions (references are to articles of the lease).

Machinery: Installation, repayment of cost, title, and recapture.—As required by section 6 of the act, title to the dam and power plant will forever remain in the United States.

Machinery will be installed and owned by the United States (art. 8). As compensation for its use, the two lessees will pay an amount equivalent to the cost thereof, in 10 equal annual installments at the beginning of the lease period, amounting to a prepayment or rent for the whole lease period. This is in addition to the charge for falling water.

Under this arrangement no equitable interest in the machinery ever vests in the lessees and in the event of recapture no payment will be owing to them on account of the original installation.

Operation of the power plant: The lease is a several, not joint, lease on separate units of a Government-built plant to the city and to the company (art. 10), operated separately by the two lessees under the general supervision of a director appointed by the Secretary (arts. 10–c, 12).

The two lessees will generate at cost for all other allottees (arts. 10, 12). The cost will be determined by the Secretary (arts 10 (iii), 12).

Repairs and replacements: In articles 12 and 13 the lessees assume the obligation to operate and maintain the plant, including repairs and replacements, at their own expense, except that replacements made after the last readjustment of rates will be considered at the end of the lease period and compensation made to the lessees for the unused life of such replacements.

Provisions in favor of States: Under the allocation of energy made in article 14 Arizona and Nevada are each allocated 18 per cent, without the obligation to now contract for it. Each State may withdraw and relinquish energy in any amount until its full allocation is in use, on six months' notice if the amount required is 1,000 horsepower or less, until it has withdrawn 5,000 horsepower in any one year, and on two years' notice if larger quantities. Whatever right may be available to either State to execute a firm contract instead of accepting this drawback arrangement is left unimpaired. But under such a firm contract, if, say, made for 33⅓ per cent of the energy, the minimum obligation of the States over the 50-year period may be compared with minimum payments expected from the Metropolitan Water District for 36 per cent of the firm energy, which amounts to $118,000,000, a firm obligation whether the energy is wanted or not. All the contracts of the States for electrical energy, like the contracts of all other contractors, will be made directly by the Secretary and enforced by the Government director at the plant. Generation for all allottees must be effected at actual cost, determined by the Secretary.

Either State may increase its allocation up to 22 per cent after 20 years if the other State does not take its full 18 per cent by that time.

Generation for other contractors: Under article 14 the lessees undertake to generate, at cost, energy which the Secretary may contract to furnish to the other allottees, as follows: Metropolitan Water District, 36 per cent of the firm energy plus all the secondary energy, plus first call on unused State allocations, all limited to use for pumping; 11 smaller municipalities, 6 per cent of the firm energy; the States, 36 per cent of the firm energy. The city of Los Angeles generates, in addition to these allocations, 13 per cent for itself. The company generates 9 per cent for itself and other public utilities. The division

of the 64 per cent allocated California is in accord with agreements submitted to the Secretary by all these California interests on March 20 and April 7.

Quantity and rates for energy: Firm energy is defined as 4,240,000,000 kilowatt-hours (art. 15), based on a 575-foot dam and the best available studies of the river flow over the past 35-year period, decreasing annually not more than 8,760,000 kilowatt-hours, in anticipation of increasing upper-basin use. Additional energy is considered as secondary energy. Nevertheless, if the United States builds a higher dam and thus provides a greater quantity of firm energy it reserves the right to dispose of the excess to any municipality independently of the above allocations. The rate for falling water for firm energy is 1.63 mills; for secondary energy 0.5 mill (art. 16). These rates, as required by the act, will be readjusted at the end of 15 years and every 10 years thereafter, either upward or downward, as justified by competitive conditions at competitive centers, but not to exceed the standard so fixed.

Minimum annual payments, load-building provisions: A minimum annual payment is required of each contractor for the firm energy allocated equivalent to the number of kilowatt-hours allocated to it multiplied by 1.63 mills. Nevertheless, to provide an absorption period at the beginning of each lease period, the requirement for the first year is fixed at 55 per cent of the ultimate obligation; for the second year, 70 per cent; for the third year, 85 per cent; and for the fourth year and subsequent years, 100 per cent. Energy taken in excess of these quantities will be paid for at the rate of secondary energy.

Duration of the leases: Under article 9 the first energy available (expected sometime in advance of completion of the dam) shall go to the city, with the district commencing to take one year thereafter, and the company three years thereafter. Under article 26 all contracts terminate when the city contract ends, which means that the company is given a 47-year lease and the district a 49-year contract. Nevertheless, the rental paid by the company for its 47-year term is the same as that paid by the city for its 50-year term, per kilowatt of capacity; that is, an amount equal to the cost of the machinery used (art. 9).

Remedies of the United States: Under articles 19 and 20, generation of energy for any allottee in arrears must be stopped on demand by the Secretary. If the lessees themselves are in arrears more than 12 months or fail to furnish energy in accordance with the allocations to other contractors, the United States can enter and operate the plant, and on 2 years' notice, terminate the lease and make other disposition of the power, subject to a 10-year right of redemption under the lease. The lessees' prepayment of rent for the whole 50-year period in the first 10 years (art. 9) leaves the United States in possession of the machinery as a substantial guaranty of performance.

A provision for posting of security bond when and if required by the United States is inserted in the district contract, as it provides no machinery.

Monthly payments and penalties: Under article 18, power bills must be paid monthly subject to a 1 per cent penalty per month in arrears.

Interruptions in the delivery of water: Under article 21, the United States is not liable for interruptions in the delivery of water caused by drought, act of God, etc., but the power bills are reduced to the extent of such interruption. All contracts are made subject to the Colorado River compact, subordinating the use of water for power to use for irrigation, flood control, navigation, etc.

Measurement and record of energy: Records of energy generated and its distribution to the various allottees are to be kept by the lessees and reported monthly. (Arts. 22, 23.) Meters will be Government tested and inspected.

Inspection by the United States: Full right of entry and inspection of all machinery and books is reserved by the United States. (Art. 24.)

Transmission: The city agrees to transmit for the district and the smaller municipalities. The company agrees to transmit for the other utilities. Transmission for the States will be a separate problem as the lines will run in different directions from those of the city, company, and the district. (Art. 25.)

Title to remain in the United States: Under article 27, title to the dam, power plant, and incidental works, as required by section 6 of the act, remains in the United States forever.

Power reserved for United States: Five thousand kilowatts from each lessee is reserved for the United States for construction purposes on this or other dams. (Art. 28.)

Use of public lands for transmission lines, as provided in the act (sec. 5) is permitted. (Art. 29.)

Claims of the United States have priority over all others, as required by section 17 of the act. (Art. 30.)

Contracts between the city and the company now in force are modified so as to remove any restrictions on either of them from entering into this contract with the United States. (Art. 31.)

Transfers of interests under these contracts are forbidden without the Secretary's consent. (Art. 32.)

The contracts are subject to the Secretary's rules and regulations with a right of hearing to the contractors before modifications are made. (Art. 33.)

Agreement is subject to the Colorado River compact. (Art. 34.)

Arbitration of disputes between contractors is provided; and also the procedure for arbitration between the United States and contractors, if both the United States and the disputant agree to arbitrate. (Art. 35.)

Performance by the United States and contractors is made contingent on appropriations. (Art. 36.)

Modifications in favor of one contractor shall not be denied to another. (Art. 37.)

Members of Congress are excluded from benefits in the contracts, except as shareholders of corporations, in accordance with specific statutory requirement.

THE SECRETARY OF THE INTERIOR,
Washington, June 17, 1930.

The CHAIRMAN COMMITTEE ON APPROPRIATIONS,
United States Senate.

MY DEAR MR. CHAIRMAN: Supplementing my formal report to your committee, and with reference to the Boulder Dam power contracts, I would suggest that analysis of these contracts will be assisted by keeping certain points in mind which were made objectives in drafting these instruments:

1. A wide regional benefit from this power was desired and obtained. Eighteen per cent is allocated to Arizona; 18 per cent to Nevada; 36 per cent to the Metropolitan Water District of Southern California for pumping a domestic water supply from the Colorado; 13 per cent to Los Angeles; 6 per cent to 11 smaller cities—in all, 91 per cent of the firm energy to 15 public agencies, to be generated by machinery leased and operated by the city of Los Angeles. The remaining 9 per cent was allocated to four public utilities who alone can serve the great agricultural back country.

2. This wide distribution was not possible, however, if the States of Arizona and Nevada were required to firmly obligate themselves now for power which they can not yet use. The same was true to a lesser extent of the 11 smaller cities. Yet the act requires firm contracts in advance of appropriations, adequate to return the Government's investment. It was found that sale of 64 per cent of the firm energy would accomplish this. Two applicants had sufficient resources and market to be able to guarantee to take that amount of power, which is in excess of two-thirds of the entire present southern California consumption. These were the city of Los Angeles and the Southern California Edison Co. But to allot 64 per cent to these two agencies would have meant a restriction of the regional spread of this power. The problem was solved by requiring the city to underwrite purchase of 37 per cent and the company 27 per cent of the firm power, of which these two only acquired title respectively to 13 per cent and 9 per cent—the balance of the 64 per cent being available to them only until the States of Arizona and Nevada, and the smaller municipalities, might need it. The smaller municipalities were allowed one year within which to contract for their 6 per cent, and the two States the entire 50-year period of amortization within which to contract for their 36 per cent. And this State power may be taken and relinquished, taken again and relinquished again, on notice, as the cycles of mining or other development in these two growing States may require; their energy will thus be available for them for the entire 50 years, without any firm obligation to take it. This arrangement was only made possible by the earnest desire of the city and the company to facilitate the building of the dam as a solution of the water problem of the coastal plain.

Solution of the water problem is undertaken with the balance of the power, 36 per cent, which is allocated to the Metropolitan Water District, a municipal corporation comprising 11 cities with an assessed valuation of $2,300,000,000, which has firmly contracted for this 36 per cent and will use it to pump Colorado River water through an aqueduct. It is also allotted all the secondary power (surplus power fluctuating with wet and dry season cycles). But as this district, although capable of making this firm contract, has not yet undertaken to finance its aqueduct, and, indeed, could not be expected to do so until it was assured of a power and water supply by contract with the United States, this 36 per cent was not considered in our estimates of the minimum assured return to the Government of the United States. As previously stated, it was found that without this 36 per cent and without any revenues from the sale of secondary power or the sale of stored water, we were still assured of all the revenues required by the act. Nevertheless, revenues under the district's power contract and from secondary energy and stored water will provide a large surplus available for payment to the States of Arizona and Nevada and to the Colorado River Dam fund.

Allocation of the California power among the city of Los Angeles, the 11 smaller cities, the Metropolitan Water District, and the 4 utilities follows exactly two agreements among them which they submitted to the Secretary of the Interior. Faced by a common water problem whose solution required the marketing over an oil and gas field of power generated 250 miles away in sufficient quantity to make the building of Boulder Dam possible, these various elements—large cities, small cities, public utilities, municipal power systems, water-supply organizations—have resolved their power problem in a way which appeared to them to best afford a basis for solution of the dominant water question.

Copies of these two agreements are inclosed, and, in addition, a letter to me from the chairman of the board of the Southern California Edison Co., all of which will indicate the background of cooperation on which the financial structure of these contracts is based.

Very truly yours, ——— ———.

MEMORANDUM OF ALLOCATION OF BOULDER DAM POWER

The allocation among the California agencies of the firm energy allocated by the Secretary to that State (64 per cent of the total firm energy), as incorporated in the power contract, was based upon the following two resolutions:

I

An agreement by the Metropolitan Water District of Southern California, the Board of Water and Power Commissioners of the City of Los Angeles, and the Southern California Edison Co., on March 20, 1930

Resolved, That we recommend to the Secretary of the Interior that the 64 per cent of total firm power from the Boulder Canyon project available to California interests under his allocation be divided, upon terms hereinafter set forth, as follows:

	Per cent of the total firm power
To the Metropolitan Water District	36
To the city of Los Angeles and other municipalities which have filed application	19
To the Southern California Edison Co	9
Total (exclusive of unused firm power)	64

And—

Further resolved, That we recommend to the Secretary that the Metropolitan Water District be given the first call upon all unused firm power and all unused secondary power up to their total requirements for pumping into and in the aqueduct, and that any unused power of the muncipalities be allocated to the city of Los Angeles, and that any remaining unused firm power or unused secondary power be divided one-half to the city of Los Angeles and one-half to the Southern California Edison Co.; and

Further resolved, That all parties hereto agree to cooperate to the fullest extent to make the Boulder Canyon project a success in all its phases; and

Further resolved, That this agreement is based upon the resolution already passed by the Metropolitan Water District of Southern California and accepted by the Board of Water and Power Commissioners of the city of Los Angeles whereby that district requests the city of Los Angeles at cost to generate its power requirements and to operate its transmission lines, which lines are to be paid for and owned by the Metropolitan Water District.

The above resolution was approved March 20, 1930, by representatives of the Metropolitan Water District of Southern California, the Board of Water and Power Commissioners of the city of Los Angeles, and the Southern California Edison Co.

(An agreement of April 7, 1930, between the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport, Pasadena, Riverside, San Bernardino, and Santa Ana)

At a meeting of representatives of the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport, Pasadena, Riverside, San Bernardino, and Santa Ana, with Northcutt Ely, Executive Assistant to the Secretary of the Interior, on April 7, 1930, at 10 a. m., in the offices of the Metropolitan Water District, the following action was taken:

1. Pursuant to resolution unanimously adopted March 31, 1930, which allocated Boulder Dam primary energy available to the above municipalities (6 per cent of the total generated) among them in proportion to their 1929 consumption, and which directed a committee consisting of representatives of Pasadena, Beverly Hills, and San Bernardino to determine the respective figures for the 11 municipalities' 1929 consumption, this committee, under the chairmanship of Mr. B. F. DeLanty, of Pasadena, reported as follows:

Boulder Dam power, smaller cities

City	1929 consumption kilowatt-hours (substation data)	Percentage of total	Switchboard power available, millions of kilowatt-hours	Firm	Recommended horsepower at switchboard peak at 45 per cent load factor	Estimated pro portional cost of the two transmission lines at $20,000,000
Burbank	13,143,901	6.12	15.55	2,386	5,304	$367,200
San Bernardino	25,275,440	11.76	29.87	4,586	10,192	705,600
Pasadena	57,616,480	26.82	68.12	10,459	23,245	1,609,200
Glendale	34,567,200	16.09	40.87	6,276	13,945	965,400
Riverside	21,300,341	9.91	25.18	3,865	8,588	594,600
Santa Ana	14,280,355	6.65	16.89	2,594	5,763	399,000
Newport	1,570,127	.73	1.85	285	633	43,800
Beverly Hills	21,519,303	10.01	25.42	3,904	8,675	600,600
Colton	11,801,850	5.50	13.97	2,145	4,767	330,000
Anaheim	6,684,268	3.11	7.90	1,213	2,695	186,600
Fullerton	7,083,744	3.30	8.38	1,287	2,860	198,000
	214,843,009	100.00	254.00	39,000	86,667	6,000,000

The committee explained that the last column, referring to pro rata of cost of the city of Los Angeles transmission line, was a rough estimate.

It was moved, seconded, and unanimously carried that the proposed allocation as presented by this committee be approved.

2. The following resolution was unanimously adopted:

"*Resolved*, That the allocation reported (full text attached hereto) be adopted; that is, of the power allocated to the 11 municipalities each receive as follows:

City:	Percentage of total
Burbank	6.12
San Bernardino	11.76
Pasadena	26.82
Glendale	16.09
Riverside	9.91
Santa Ana	6.65
Newport	.73
Beverly Hills	10.01
Colton	5.50
Anaheim	3.11
Fullerton	3.30
	100.00

"*Further resolved*, That generation of Boulder Canyon power for the municipalities be performed by the city of Los Angeles, and that the municipalities designate the city of Los Angeles as the agent for transmitting any Boulder Canyon power for which they contract over the main transmission lines constructed by the city for carrying Boulder Canyon power, subject to the understanding that if on further investigation before April 15, 1932, it shall prove to be materially more economical for any municipality to make a different arrangement it may do so; and

"*Further resolved*, That in case of any disagreement over the question of cost of transmission of Boulder Canyon power such disagreement will be adjusted by the Secretary of the Interior; and

"*Further resolved*, That any municipality desiring to reserve the right to contract with the United States for power, in accordance with the allocation approved April 7, shall take formal action indicating such desire on or before May 15, 1930, and shall transmit advice of such action to the Secretary and to a committee consisting of the general manager of the light department of the city of Pasadena, who shall transmit such advice to the other municipalities. Thereafter, on or before April 15, 1931, such municipality shall enter into a final contract with the Government. Any power allocated to a municipality, but not reserved or contracted for under the two foregoing time limitations, shall be included in the allocations to those municipalities who do make such reservation and contract in the ratio that their present allocations bear to each other; and

"*Further resolved*, That these municipalities pledge their cooperation to make the Boulder Canyon project a success in all its phases."

———

SOUTHERN CALIFORNIA EDISON CO.,
Los Angeles, Calif., April 22, 1930.

Hon. RAY LYMAN WILBUR,
Secretary of the Interior, Washington, D. C.
(Care of Northcutt Ely, executive assistant.)

MY DEAR MR. SECRETARY: In submitting our final proposal upon the contested point regarding the recovery and load-building period to be provided in the Boulder Dam contracts as affecting this company I desire to make the following preliminary observations:

The Southern California Edison Co. (Ltd.) is now supplying the major portion of the market of southern California, in which the power from Boulder Dam must be sold. Specifically, with the exception of the power which will be sold to the city of Pasadena and to the Metropolitan Water District, every kilowatt-hour of electrical energy from Boulder Dam which is sold in southern California must be taken by

present customers of this company (or by two or three smaller municipality customers of other private companies). Since this company is a public utility, it is required to continue to supply these municipalities with their requirements for electrical energy until such times as they voluntarily withdraw from our system, which means, in all probability, that we must continue to supply them until the Boulder Dam supply is available. In short, the market for the major portion of Boulder Dam power is apparently to be built up and maintained by this company until Boulder Dam is ready to take it over.

When the market is taken over by Boulder Dam power, there at once results the displacement of the power which this company will be supplying at that time. This means that a large part of the generating equipment of this company will be rendered idle and the investment therein will not only not earn anything but will not carry itself until it is again usefully employed.

The market in which the company can sell this surplus supply of power which it will have on its hands as a result of the displacement by Boulder Dam power will be restricted as compared with the market until that time.

Contrasted with the situation of the city of Los Angeles and other municipalities which are to be your other customers for Boulder Dam power, you will note that this company will have a large amount of idle equipment on its hands, or, stated otherwise, a large supply of surplus power which it must first take care of before it can begin to absorb Boulder Dam power; the cities, on the other hand, by the simple device of discontinuing taking from this company, will have created a vacuum in their supply which can be immediately filled by Boulder Dam power. The cities can, in other words, take not only without loss but profitably to themselves so much of Boulder Dam power as is represented by the amount of demand which they transfer from the system of this company to the Boulder Dam source of supply; and they will be enabled to do this only because we will have built up their demand for them and kept it supplied until that time.

This very great discrepancy in the situations of your principal customers for the falling water from Boulder Dam, of course, requires that an allowance must be made for the difference in the capacity to absorb the new supply of power from that source.

As has been repeatedly pointed out, the Boulder Dam project is chiefly a water project and our interest in that project is simply in securing for the community in which we serve the assurance as to an additional supply of water which the community believes it will require. So far as the power is concerned, it is more costly now under the contract price proposed than the power which we are securing from the alternate source of steam plants. It holds out no promise of being cheaper in the future, because the price must be kept commensurate with the competitive prices in the distributing territory. We are impelled, therefore, to take Boulder Dam power only as an investment in good will in the community in which we serve; that is, to help out in the development of that community and to show our willingness to carry a part of the burden in that development.

It has been—and is—our position that all of the parties participating in the Boulder project should cooperate in the same spirit in which we are cooperating, and to the extent that a sacrifice is necessary, that that sacrifice should be equally made by all. We are asked, however, to make a sacrifice by accepting the same load-building period as the city of Los Angeles and other municipalities, regardless of the above discrepancies in the two situations. After the company has recovered from its idle equipment it will still not be in as favorable a position to take on the additional load from Boulder Dam as will these municipalities for the reason that even at that time, it will have no vacuum in which to put the power supply from Boulder Dam, but must take care of it entirely out of growth of load in a restricted market. Hence for us to accept, even after a period has been allowed to us for the reemployment of our idle equipment, the same terms as to load building is to make a sacrifice which we can not justify except as an investment in good will and in the interests of harmony.

You have represented to us, through Mr. Ely, that the conclusion of these contracts is very urgent, and that they can only be concluded upon a basis of giving us the same load-building period as others, regardless of the discrepancies in the two situations. Because of our very great desire to be of assistance in the situation, we have come to the conclusion that we will accept this unfair treatment on the condition that we are given a sufficient period in which to recover from the shock of the severance of our former customers from us. We estimate this period at a minimum of three years, but are willing to provide that if we do recover within a less period we shall begin to take Boulder Dam power as soon as the recovery has been effected. We make this concession only upon the condition that it be distinctly understood that it is an investment in good will and that you shall frankly explain that the company has acceded on that basis and on that basis alone. In short, that you shall explain that we are contracting on a less favorable basis than are the municipalities because of this difference in our situations. Since it is an investment in good will, we think we are entitled to have the public know that we have made a distinct sacrifice in order to join in this contract.

With the foregoing facts in mind, and upon the foregoing condition, we will agree to accept the same load-building period as the other contractees, subject to the condition that we shall not be required to take any power from Boulder Dam until three years have elapsed after the city of Los Angeles has first begun to take that power.

Yours very truly,

JOHN B. MILLER, *Chairman.*

DEPARTMENT OF THE INTERIOR,
May 14, 1930.

Ray Lyman Wilbur, Secretary of the Interior, to-day made public the following letter which he wrote Gov. John C. Phillips, of Arizona, on May 9, with relation to Boulder Dam:

"I have read the statement by your Colorado River commission of May 2, and a supplemental statement published May 3, which has just reached me.

"The burden of these statements seems to be an objection that the Boulder Dam contracts, which carry out the outline forwarded you on October 23, modified as the result of the hearing here November 12, which Arizona declined to attend, have been concluded by the Secretary prior to the conclusion of negotiations between California and Arizona, which negotiations your commission thinks might have resulted in a compact covering power questions, as well as water. At any rate, I assume that that is why section 8 (b) of the project act is quoted.

"But your commission has neglected to quote the full language of section 8 (b), which includes the important phrase quoted below but omitted from your commission's statement. It provides as follows, in case the 3-State compact is not made before January 1, 1929:

"'*Provided,* That in the latter case such compact shall be subject to all contracts, if any, made by the Secretary of the Interior under section 5 hereof prior to the date of such approval and consent by Congress.'

"And the complaint of 'haste' can not be meant seriously. The construction of this great work, authorized by an act approved in December of 1928, is necessarily at a standstill until the Secretary signs the required power contracts, for, under the act, no appropriations could be made before that time. I have now signed such contracts and made it possible for this work to proceed. But before doing so, not only did this department wait until the States had had an opportunity under section 8 (b) to compact on or before January 1, 1929, as the law allows, but I delayed my action until April 28, 1930, or 13 months after taking office, in the earnest hope that the States would be able to work out their problems.

"Last June, as in the preceding March, under the auspices of this department, a conference between the States was called for that purpose and every assistance given them by the department and its bureaus to that end. It was fruitless. Nevertheless, I did not accept that failure of the States to come together as being final, nor did I, by proceeding immediately with the power contracts, as I might have done, foreclose them from agreeing on the power question. Instead, four months later, I, on October 19, 1929, announced a tentative allocation of power and a price for power and a price for the storage of water, and set November 12 as a hearing date for any protest. Every attempt was made to bring Arizona to the conference table and give her an opportunity to be heard on the points mentioned above. Not only was a formal notification extended to your State on October 23, which you acknowledged on October 30, but, in addition, I telegraphed you on November 4, and wrote you on that date, and wrote you again on November 7. In the latter letter I said, 'As I wish to make no final allocation until after this hearing (November 12) and desire to give all parties an opportunity to be heard at that time, I wish to again formally advise you of the date and of the invitation to Arizona to be heard.' Nevertheless, no one was present to represent Arizona. Nor was any application for power presented by your State. Yet, on November 14, after the hearing, I telegraphed you, saying that 'there will be a period of some days before final determination will be made. Personally I can not help but hope that the great significance of this project to the whole Southwest will bring everyone in the territory together.' Arizona's refusal to assist in working out these problems, when asked three times, is difficult to reconcile with the present complaint that they have been worked out without her. In the meantime, I had sent you the engineering study upon which the power price was based and I had the pleasure of receiving your very courteous letter of November 16, stating that inasmuch as Arizona denies the validity of the Boulder Canyon project act, she 'can not consistently take any action which might assume the validity of it,' and stating further, 'that since matters are now apparently progressing toward the early consummation of definite contracts covering these matters, Arizona's right to compact in relation thereto would be made valueless, and in that situation her only available recourse is to the courts.' That was nearly six months ago.

In addition, an amount ranging between $29,000,000 and $66,000,000, depending on the same factors, will have been paid into the Colorado River Dam fund for other developments on the river, in which your State will have a share. In other words, your State, without guaranteeing a penny toward the success of this project, is handed a

sum ranging from $350,000 to upward of $600,000 per year and given a free option on over 100,000 horsepower. The share of the firm power given Arizona and Nevada together is 36 per cent. Compare your position, as stated above, with that of the metropolitan water district, which pays for an exactly equivalent amount (36 per cent) about $118,000,000 over the period of its contract, under a firm obligation which must be fulfilled whether the power is needed or not. These privileges in favor of your State mean a corresponding assumption of burdens by the California purchasers of power; and it would have been impossible to finance this project as a power project, pure and simple, under such burdens. It is a water problem in its various phases—flood control, the necessity of domestic water on the southern California plain, and the necessity for irrigation—that has made it possible for these purchasers to assume this burden. Remember that we are transmitting power 250 miles and selling it over an oil and gas field; remember, also, that the quantity of fuel required per kilowatt-hour has gone down from the equivalent of 3.2 pounds of coal in 1919 to 1.76 pounds in 1928, and that even to-day the over-all efficiency of steam-electrical units is only about 27 per cent. Recollection of these facts may help your people to recall that this is a water project and not a power project. Power is being sold to build the dam; the dam is not being built to sell power.

"I have spoken before of the fact that Arizona, although invited, has never come to the conference table to help me in working out these power problems, and has never made an application for power. Yet a large part of the time consumed at Los Angeles was required by the insistence of this department on inclusion in the contracts of clauses protecting the future of Arizona and Nevada. Although your State has never asked for any power, you were allocated 18 per cent of the firm energy, or in excess of 100,000 horsepower, and, unlike all the other contractors, Arizona and Nevada are each given an allocation which does not require their firm obligation for 50 years, but gives them a 50-year option in the form of a right to contract on certain notice for blocks of power, as power is needed, and to relinquish it on like notice when the need ceases, without prejudice to the right to again take the power when wanted; and this process can be repeated indefinitely. But this is not the only contract provision in your favor. You will recall that section 5 (c) of this act permits the States of Arizona, California, and Nevada to contract for energy for use within the State on a preferential status within six months after notice from the Secretary. I might have started that period of limitation running against your State by promulgating notice at any time. Instead I did not do so until the contracts were actually signed, after I had required incorporation in them of a specific recognition of this 6-month privilege.

"Before closing, I think it is desirable that you have a clear picture of the revenue situation as it affects your State. There is no mandate in the act that I exact any sums from the power purchasers for the benefit of Arizona and Nevada. I refer you to the opinion of the Attorney General of the United States, rendered December 26, 1929, stating as follows:

"'Manifestly, it was not the intention of Congress that section 4 (b) should require the Secretary of the Interior to make provision by his contracts to insure any payments to those States during the 50-year period. This was recognized in the debates on the bill.'

"Nevertheless, I have succeeded in negotiating contracts under which firm energy is sold at a price in excess of that for which the power can now be generated by the contracting parties by steam, and succeeded in selling secondary energy at a favorable price. In consequence, the revenues accruing to your State, if these prices are maintained when the readjustment periods required by the act are reached (and, of course, I can make no guaranty that such prices will be maintained, as the act requires that they must be readjusted upward or downward at that time, to accord with competitive prices at distributing points or competitive centers), during the 50-year period of amortization, will range from $22,000,000 to $31,000,000, depending on the amount of secondary energy utilized.

"But to make plain to you that I had no intention of foreclosing Arizona, I forwarded to you on December 2 a transcript of the record of the November 12 hearing, which closed with my following statement to the representatives present: "I propose not to complete these contracts before the second week in December, in the hope that we can bring Arizona into the picture, and I assign each of you and all of those who represent you as agents to make this, if possible, a 7-State compact." I carried out that pledge. I waited not only until the second week in December but until the last week in February before initiating the contract negotiations, and even that step was not taken until the department had taken the initiative in attempting to give the States an opportunity to settle this question by compact, by arranging an interstate conference in January and February (my suggestions of earlier dates having proved inconvenient for the States), which convened at Reno and adjourned to Phoenix. I specifically advised you that the field for agreement on power as well as water was wide open. That conference, like its predecessors, was fruitless. I do not wish you to feel that I attach any blame to Arizona for the outcome of this conference, nor of any others which have been held; I only want you to quite clearly understand that I have been patient and have borne the responsibility for delay for many months in order to give your State a chance to work out its problems.

"Negotiations of the power contracts in Los Angeles consumed two months, a minimum time for contracts of this magnitude, as I think you will agree. Nevertheless, because of the delay in initiating these negotiations, occasioned by the keeping of my promise to the States at the November hearing that I would give them a chance to meet, the closing of the Los Angeles negotiations could not be effected until dangerously near the end of the present session of Congress. The contracts were concluded, as you were notified on October 23 that they would be; I signed them on April 28; and Congress has been requested for an appropriation. I have acted; but not until 16 months after the last date upon which the States, under section 8 (b) could have foreclosed the Secretary from acting. The success of this whole project means too much to the whole Southwest, including very particularly your own State, to justify postponing this flood-control and irrigation measure another year to give opportunity for more interstate conferences.

"Finally, one word about the price being charged to the Metropolitan Water District for storage of water. That price is 25 cents per acre-foot, plus the value of power lost if the water is taken out above the dam. From past communications from your commission, I gather that you want the price fixed at a higher rate so that the excess revenues coming to Arizona will be increased. I doubt whether your people have a proper vision of what they are doing when they make that request. The act provides that no charge shall be made for water furnished to Imperial and Coachella Valleys. But the act gives your State no such protection. It is in exactly the same status as the metropolitan water district. It is left to the discretion of the Secretary to determine the charge against you, as also against that district. As I understand it, you are asking upward of 3,000,000 acre-feet of main-stream water. Your State will some day come to the Secretary of the Interior for a contract for delivery of your water, just as the metropolitan water district has done. If you receive 3,000,000 acre-feet and are charged what we are charging the district for water delivered below the dam, 25 cents per acre-foot, the charge will be $750,000 per year. If we charge you what you have asked us to charge the district, that is, from $1 up, the charge against you will be upwards of $3,000,000 per year. Which of these two precedents do you wish established? Which shall pay the way, power, which you do not want, or water, which you do? I think that consideration of these questions may help you in coming to the conclusion that I have given some thought to the future of your State.

"In closing this somewhat direct statement to you I wish to reiterate my appreciation of your personal grasp of the entire situation and of the capacity shown by the members of your commission. There are, however, a number of facts which it is about time that the people of your State should know, in view of your commission's closing statement that it hopes that 'when the facts of the controversy are brought to the attention of Congress, the request for this appropriation will be denied.'"

Very truly yours,

RAY LYMAN WILBUR, *Secretary.*

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arizona [Mr. HAYDEN] which will be stated.

The CHIEF CLERK. On page 44, it is proposed to strike out beginning in line 18 and ending on line 14, page 45, and on page 45, line 15, after the words "Secondary projects" to insert "for cooperative and general investigations, $1,000,000; *Provided*, That."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN.]

The amendment was rejected.

Mr. HAYDEN. I offer another amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 45, line 14, insert the following after the word "act":

And provided further, That no part of the amount hereby appropriated shall be expended until the city of Los Angeles and the Metropolitan Water District at a duly authorized election shall have obtained the assent of their respective electors, as required by the constitution and statutes of California, to the sale of bonds in sufficient amount to enable them to construct the facilities with which the power and water may be utilized, and to the obligations and liabilities with respect to the purchase of water for all purposes, including that of generating electrical energy and rental of generating equipment.

Mr. HAYDEN. Mr. President, it is unnecessary for me to repeat the argument I have made in the course of my remarks. I can only add that the able and extended statement made to the Senate by my colleague the senior Senator from Arizona [Mr. ASHURST] fully justifies the adoption of this amendment.

I do ask leave, however, in view of the request made by the Senator from California, to place in the RECORD the reply of the governor of Arizona to the letter written by the Secretary of the Interior and certain other documents relating to this subject.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

LETTER FROM GOVERNOR PHILLIPS TO SECRETARY WILBUR

PHOENIX, ARIZ., *May 15, 1930.*

MY DEAR MR. SECRETARY: I have received your letter of May 9 in reference to the statements issued by the Colorado River Commission of Arizona on May 2 and 3. You are correct in supposing that the Arizona commission believes and charges that you acted with undue haste in awarding Boulder Dam power and water contracts prior to the making of a 3-State compact between Arizona, California, and Nevada for the equitable division of the benefits, including power, arising from the use of water accruing to said States as provided in section 8 (b) of the Boulder Canyon project act, and in the face of California's persistent refusal to discuss or consider any such compact. Your assumption that the complaint of "haste" can not be meant seriously is wholly unwarranted and is contrary to the fact. A review of the facts, some of which are misstated and others inaccurately stated in your letter, will show that our complaint is well founded.

The Arizona commission is thoroughly familiar with the proviso of section 8 (b), which you quote in your letter to the effect that the 3-State compact, if not made and approved by Congress prior to January 1, 1929, shall be subject to all contracts made by the Secretary of the Interior under section 5 of the act prior to the date of such approval. In fact, it was the Arizona commission that called this proviso to your attention last October and pointed out to you that by making power and domestic water contracts as you had then indicated you were about to do, you would foreclose certain vitally important matters which Arizona desired to have covered by compact, and which section 8 (b) of the act contemplated should be so covered. It was pointed out to you then, and apparently recognized by you, that so far from being a reason for hastening the making of contracts, this proviso constituted the strongest possible reason for deferring such action until there had been a bona fide effort on the part of the three States to make the compact provided for in the act.

It was doubtless your recognition of this fact that led you to suggest a resumption of negotiations between Arizona, California, and Nevada, which suggestion Arizona accepted upon your express assurance that all matters, including power and domestic water, would be left open and subject to such negotiations, and would not be foreclosed by any action on your part. Upon the faith of this assurance, negotiations were resumed at Reno, Nev., and later at Phoenix, Ariz.

Arizona and Nevada sought earnestly and in good faith to reach an agreement with California on all these matters, but California, as you know, refused then, as it had previously refused, to compact on the questions of power and domestic water and insisted, notwithstanding the plain provisions of the act, that all these matters should be left for your determination. In other words, there was not then and never has been any willingness or any bona fide attempt on the part of California to make such a 3-State compact as the act contemplates. Hence, the existence of the proviso quoted by you constitutes now, as it did last October, a most excellent reason why you should not have proceeded to make contracts to which any future compact would be subject.

You say in your letter that the negotiations between Arizona, California, and Nevada were fruitless, but you did not say why they were fruitless, although you are well aware of the reason. The negotiations were fruitless because California persisted in her refusal to compact with Arizona and Nevada on the subject of power and domestic water as contemplated in section 8 (b) of the act. This stubborn and indefensible attitude on the part of California was obviously predicated upon the belief that you would do just what you have done—ignore the provisions of section 8 (b) and award contracts to the California interests desiring power and domestic water, thus determining and foreclosing matters which the act contemplated would be settled by a 3-State compact.

California was encouraged in this belief by your announcement on January 3, 1930, that you would make contracts for the sale of Boulder Canyon power as soon after February 1 as possible, regardless of the outcome of the negotiations then pending between Arizona, California, and Nevada. This announcement was wholly inconsistent with the assurances which you had previously given us and had constituted an assurance to California that she need not recede from her stubborn and defiant attitude. Therefore, Mr. Secretary, I am forced to conclude that you yourself are in a large measure responsible for the failure of the three States to reach an agreement.

Your letter sounds as if you thought that you or your predecessor in office might properly and lawfully have made these power and water contracts at any time after January 1, 1929. This, of course, is not the case. As pointed out to you last October, it would have been physically impossible to negotiate and conclude a 3-State agreement and have it approved by three State legislatures and by Congress in the 10 days intervening between December 21, 1928 (the date on which the act was approved), and January 1, 1929. Even if you or your predecessor had had the power to proceed with the making of contracts on or immediately after January 1, 1929, no fair-minded officer could have thought it proper to do so until there had been a reasonable time and a bona fide effort to effect a 3-State compact.

But you did not, nor did your predecessor, have any such power on January 1, 1929. The Boulder Canyon project act did not take effect until June 25, 1929, the date of the President's proclamation that the necessary conditions had been complied with. Until then you and your predecessor were expressly forbidden to exercise any authority under the act. Hence your statement that you "delayed" action for 13 months after taking office is inaccurate and misleading. You took office in March, 1929. Between that date and June 25 you did not "delay" taking action. You were simply powerless to act. The failure to exercise a power not possessed can not properly be termed "delay."

Accurately stated, the facts are that the earliest date on which you could possibly have taken any action whatever under the Boulder Canyon project act was June 25, 1929; that less than 10 months thereafter (April 24, 1930) you executed a contract with the Metropolitan Water District of California; and that 2 days later you executed the 2-power contracts referred to in your letter, the last-mentioned contracts being dated April 26, 1930, not April 28, as stated in your letter.

But the making of contracts was not the first duty delegated to you by the Boulder Canyon project act. Section 5 of the act authorizes, or purports to authorize, you to make contracts; but it says you shall do so under such general regulations as you may prescribe, and that general and uniform regulations shall be prescribed for the awarding of such contracts. This clearly contemplates that the regulations shall be prescribed first and the contracts made afterwards. Otherwise there would be no point in prescribing regulations. Now, the fact seems to be that you, in your haste to award these contracts, have awarded them before prescribing any general and uniform regulations or any other regulations on the subject. Indeed, so far as I am aware, you have never yet prescribed any general or other regulations concerning water contracts. Your so-called general regulations for lease of power bear date of April 25, 1930, the date preceding the date of the power contracts made by you, but it is common knowledge that all these contracts were actually negotiated, completed, agreed upon, and signed by the contractees prior to the issuance of your so-called general regulations. In thus getting the cart before the horse you have acted not only in haste but in apparent violation of the act itself. Under the terms of the act, assuming its validity, you could not lawfully award any contract until after you prescribed general regulations on the subject. Even assuming that your so-called general regulations were actually issued and the contracts actually executed on the dates which they respectively bear, the fact would still remain that you awarded these contracts on the very first day that you could legally award them. How, then, can you deny the statement that you acted hastily?

Your letter states, or at least implies, that Arizona was three times invited to attend and participate in hearings or conferences with you on the subject of power contracts. Such a statement is inaccurate and misleading. You did not write me on October 23 as now stated by you, but did write me on October 24. You inclosed a release of your statement or outline dated October 21. Your letter of October 24 did not, nor did your release statement of October 21, indicate that the power allocations therein referred to were tentative only. Both the letter and the statement announced that a power allocation had been made by you, but neither the letter nor the statement spoke of the allocation being tentative. Your letter of October 24 did not, nor did your statement of October 21, indicate what price, if any, you had fixed for power, but did indicate that you had fixed the ridiculous price of 25 cents per acre-foot for the storage of domestic water for the Metropolitan Water District of California.

Your letter of October 24 did not, as you seem to imply, invite Arizona to attend a hearing before you on November 12. In that letter you merely advised me "that any formal protest that may be lodged by the applicants regarding allocation of this power and related matters" would be heard by you on November 12. Arizona was not then, or at any time, an applicant for power and, therefore, according to the terms of your letter, had no standing to lodge a protest or to attend the proposed hearing. The reason why Arizona was not an applicant for power was indicated in my letter of October 30. As then explained to you, Arizona has never conceded but has always denied, the validity of the Boulder Canyon project act and believes that it can not be made effective without her consent. She has, nevertheless, endeavored in all earnestness and good faith to arrive at a 3-State agreement with California and Nevada which would make it safe and proper for her to accept the 7-State Colorado River compact, thus making the act effective, but her endeavors in this direction have been thwarted by California's refusal to cooperate and by your own hasty action in awarding contracts to California interests.

In your letter of November 7 you referred to the allocation made by you on October 24 as being tentative and advised me that you would make no final allocation until after the hearing on November 12, and that you wished again to formally advise me of the date and "of the invitation to Arizona to be heard." There was still nothing to indicate that Arizona was invited to be heard or that she could or would be heard except as an applicant for power, and you knew when you extended this "invitation" that Arizona was not and would not be an applicant. Your "invitation" was, therefore, meaningless. In your telegram of November 14 you did not invite Arizona to attend any hearing but simply expressed the pious hope "that the great significance of this project to the whole Southwest will bring everyone in the territory together." The realization of that hope has been prevented by your own hasty action in attempting to settle by contracts with California interests matters which should have been settled by interstate compact.

Even though Arizona was not an applicant for power, still, because of the revenue provisions of the act, she was and is vitally interested in the prices to be charged for power and domestic water. Your letter implies that Arizona was invited and given opportunity to be heard on these matters, but such is not the fact. No such invitation or opportunity has ever been accorded us. In fixing these prices in which Arizona was and is vitally interested you consulted only with those whose interests were opposed to ours. I have noted what you say about the care with which you claim to have safeguarded the rights of Arizona in making the contracts in question and the great benefits and advantages which you claim Arizona will enjoy under these contracts. As to those matters, we are frankly skeptical. We do not believe that our interests have been properly considered or adequately protected. Having the constitutional right to settle certain questions by interstate compact, we prefer to settle them that way, even though you or some other Secretary may deem himself better qualified to settle them for us.

Strange as it may seem to you, Mr. Secretary, Arizona is a sovereign State, equal in sovereignty and dignity to your own State of California or to any other State in the Union. Your State of California may indulge, and has freely indulged, its privilege of criticizing and berating the State of Arizona because of the latter's insistence on its rights, but it ill becomes a high officer of the Government to take upon himself the function of lecturing, admonishing, and reprimanding a sovereign State and its people as you have attempted to do in your letter to me. Such conduct is resented by the people of this State.

The Arizona commission is not, nor am I, at all impressed or alarmed by your solemn reminder of the discriminatory and coercive features of the Boulder Canyon project act. We are quite aware of the provision which purports to require us to pay for our own water when used for irrigation in our State, while at the same time, requiring this Arizona water to be delivered free for irrigation in your State. This provision in which you seem to take such pride and satisfaction is so outrageously unjust and so obviously unconstitutional that we have not the slightest fear that it will ever be inforced in your administration or any other. Moreover, your assumption that the rights of the Metropolitan Water District of California are similar or comparable to those of the State of Arizona is manifestly wrong, as even you must see. It is on a par with the notion that the owner of a house and a stranger passing along the highway have the same rights in the house.

In conclusion, I must resent as unfounded your insinuation that there are facts in this controversy which the people of Arizona should know and which are being withheld from them. The people of this State are the equals in intelligence of those of any State in the Union. They are more vitally interested in the Colorado River than are the people of any other State. By reason of this greater interest they are more fully informed as to the facts of the controversy than are the people elsewhere. If the Members of Congress knew the facts as intelligent citizens of Arizona know them, the denial of the appropriation which you have requested would be a foregone conclusion.

Very truly yours,

JOHN C. PHILLIPS, *Governor.*

LETTER TO COLONEL DONOVAN FROM CHAIRMAN WARD

PHOENIX, ARIZ., *November 27, 1929.*

Hon. WILLIAM J. DONOVAN,
41 Broad Street, New York, N. Y.

DEAR COLONEL DONOVAN: Your favor of November 20, together with a copy of the Secretary of the Interior's letter to you, came duly to hand and the same is appreciated.

The Secretary, as he states, has been in communication with our governor as to proposed power allocations and price to be charged therefor. Our commission has read his communications to our governor and the replies thereto. Our State has been invited several times, by the Department of the Interior, or, rather, officials connected therewith, to indicate the amount of power Arizona wished and to make application therefor. This we were never in a position to do, and while we stated our reason for refusing, it never seemed to register.

Let me state it to you:

The validity of the Boulder Canyon project act has never been conceded by Arizona.

We might have waived the invalidity, so far as we were concerned, if a satisfactory compact could have been made. If not, then we reserved to ourselves the right to attack the bill; but

If benefits are sought or derived from the act by one who claims it is unconstitutional, then he may, by such act, preclude himself from questioning its validity.

There is the reason why we took no part.

One might, in answer, say you have been trying to compact under one provision of the bill. Our answer is: That the right of compacting by the three lower basin States is given by the Constitution itself, subject alone to the consent of Congress given either before or after the compact is made, and this right to compact could not be swept away by anything in the act. Yet we were willing to act under the provisions of section 8, subdivision B, and make a compact which, if accomplished, would perhaps have waived any legal objections we might have to the act. This we were and are unable to do, as we contend, through no fault of our State.

While I am referring to this subdivision B of section 8, let me refresh your memory in a general way as to some of its provisions. It provides that in constructing, managing, and operating the dam reservoir * * * and other works * * * authorized, including the * * * delivery of water for the generation of power, etc., and all users and appropriators of water stored by the reservoir, including all permittees, licensees of the United States, or any of its agencies, shall be subject to and controlled, "anything to the contrary herein notwithstanding," by the terms of such compact, if any, between the three lower-basin States for the equitable division of "the benefits, including power, arising from the use of waters accruing to such States." The subdivision then provides that it will be subsidiary to and consistent with the Colorado River compact, and to which Congress shall give its consent and approval on or before January 1, 1929. If not by that date, then, by the consent of Congress, after such date. There is then a proviso as follows: "That in the latter case (a compact ratified after January 1, 1929) such compact shall be subject to all contracts, if any, made by the Secretary of the Interior under section 5 hereof prior to the date of such approval and consent by Congress."

The project act was approved December 21, 1928, giving commissioners 10 days in which to agree and make a compact which would not be controlled by the Secretary's contracts. To compact in such a short period of time, of course, was impossible (the present commission had not yet been appointed). So, being unable to act under the first clause, we necessarily came under the second clause covered by the proviso. That being so, let us see where it leads. Either one of the three compacting States could, by refusing to agree for a period of time, reduce the matters upon which an agreement was desired to one—i. e., a division of water only—leaving the other matters to be controlled by the Secretary's contracts, and this is just what did happen in our conferences. Take, for instance, the Santa Fe conference, Arizona desiring that the compact should cover certain matters vital to our State, made certain written proposals covering, among other things, division of water and revenue requirements. California replied, denying the right of the three States to do anything as to power, revenue, or as to the charges for delivery and storage of water, even going so far as to say in their paragraph 8 of reply to our recommendation as to the interested States having advisors to confer with the Secretary that "provision for advisors from interested States would be obnoxious to the Secretary of the Interior, and probably not be approved by Congress." We thought at the time such an answer was trifling, did not think California was invested with the right to say what would or would not be obnoxious to the Secretary, and I see by the Secretary's communications with our governor and in his letter to you that, instead of advisors being obnoxious, they would have been welcomed. Of course they would.

The Secretary is too big and broad a man to refuse advice on such an important matter coming from an official representative of an interested State appointed for that purpose. Other objections which they made were just as trivial, and rendered the making of a compact with them impossible. Our commission, after studying their replies before we adjourned, at your request, at Santa Fe, had come to the conclusion that California was determined to ignore the provisions of subdivision B of section 8 and were not going to agree to anything that would result in a compact at that time; that instead the conferences would be, or could be, dragged out until such time as the Secretary had made contracts covering everything but a division of water and then they would agree for the first time that we must consider subdivision B of section 8, at least that part contained in the proviso, whereby we were bound by contracts made by the Secretary in the meantime.

So again, when we came to the Washington conference, no agreement on a division of water even could be considered except the Gila was counted in although it all was appropriated before there was any irrigation in Imperial Valley and any reflow into the main river could never be used by any of the three States after the American canals headgate was moved to Laguna Dam. They knew our people would never ratify any compact whereby the Gila was in, yet the argu-

ment continued and a lot of time was wasted. Arizona knew why, knew California would not agree to any compact until the other matters were settled by the Secretary or until some one in authority gave them to understand the project would wait until "jockeying for position" ceased. Our commission was ready to quit then, but out of our great respect for you, knowing your fairness, we did agree that we would try to agree at an adjourned meeting to be convened at Santa Fe in October, providing all matters that we were trying to compact on would remain in status quo and we understood that would be so. When we left Washington it was also understood by us that the Secretary would proceed with perliminary matters necessary to be attended to and we might go on with the preparation of our legal matters, but we would file no action and the Secretary would make no commitments which would bind or embarrass us in further negotiations. We also agreed with you that we, in the meantime, before the October meeting, would try and hold further informal conferences with California, so when I read your letter the latter part of June to get in touch with Mr. Bacon as to our commission's meeting and recommend as to what water allocations should go into a treaty with Mexico, I immediately wrote Mr. Bacon about your recommendation. I thought we would then again be in touch where we could again informally discuss our differences, but under date of July 10 he informed me that it would be extremely difficult to get the commission together during July or August as everyone was planning some sort of vacation. There the matter rested.

I now come back to the Secretary's statements in his letter to you. After our Washington adjournment the President declared the act in effect, and immediately thereafter by interviews by Interior Department officials (not the Secretary) anyone not familiar with the requirements of the act would have thought the construction of the project would commence in two weeks. Of course, as to construction of the dam we knew better, but we surely thought, and we were justified in thinking, that step by step allotment of power, price of power, and storage and delivery charges of water for domestic use on the coastal plain was going to be fixed and contracts let in accordance therewith, for in the Secretary's letter to Governor Phillips, under date of October 24, 1929, he says:

"Pursuant to section 5 (c) * * * an allocation has been made of the power to be developed at Boulder Canyon Dam on the Colorado River. This allocation and terms and conditions on which power is to be disposed of are shown on attached statement."

He then says any formal protest that may be lodged by the applicants regarding allocation will be heard by him on November 12, 1929, at 10 a. m., and in the attached statement the allocation of power was shown and storage and delivery charges for water for the coastal plains was fixed at 25 cents per acre-foot. No protests were to be heard as to these water charges, and protest as to power was limited to allocation, and only to those who were applicants, which Arizona was not, so you can see, Colonel, I think we were justified in believing that the door was gradually being closed on all matters about which we were trying to effect an agreement on except a division of water, which item the Secretary has nothing to say about.

The price of power, the storage and delivery charges for water we were tremendously interested in for upon those charges would depend whether Arizona would receive a revenue as provided in the act. Taking the item of storage and delivery charges for water, when we made our written proposals at Santa Fe, you will remember we were being guided by the Siebert report made by a disinterested board of engineers, whom we, by reports, were led to believe that each one was eminent in his profession. I am yet inclined to believe they were as Congress had no hesitancy in following their recommendations as to the added cost. They assumed, in their report, that the storage and delivery charge for water would be $1,500,000. Our commission assumed that what they were referring to mostly was the charge for domestic water for Los Angeles. If so, this amounted on 1,090,000 acre-feet to practically $1.50 per acre-foot, but the Siebert commission took issue with the amount of that charge, for in the last paragraph of their report they say, "If the income from storage can be reasonably increased and the capital investment reduced by the cost of the all-American canal, together with a reduction for all or a part of the cost properly chargeable to flood protection, it would be possible to amortize the remaining cost with the income from power." You will note there was nothing about any excess profits to Arizona and Nevada, just the cost of the project. Anyway, Congress raised the costs and removed the charge for the American canal to conform to their recommendations and it strikes us, if the committee was right as to cost of project, they were likely right as to the necessity of raising the charge for water, anyway, we proposed that charge be $2 per acre-foot. California said, "If the policy of a minimum charge on domestic water is to be established, it should not exceed $1 per acre-foot, as I remember. The set-up (and I don't have it before me) sent our governor showed the reclamation engineers figured the necessary charge at about 60 cents per acre-foot, while the Secretary fixed the charge at 25 cents. The only theory that I could figure such a charge was that it was for irrigation purposes and not for domestic use. I remember a governors' meeting at Denver in August of this year, where Doctor Mead, Mr. Walters, chief engineer of the Reclamation Service, and myself were present. One of the governors was inquiring into the charge for power. Mr. Banister said there was another item of revenue—domestic water. I was astounded to hear Mr. Walters say it would be used for irrigation to fill the basin and 50 cents per acre-foot was enough. I knew when the bill was before Congress that California in articles, speeches, and testimony before committees had always claimed this water was for domestic use. In fact, the very future of Los Angeles and nearby cities depended on having this water for such use, so last night I looked through some committee hearings and reports I had in my office. Let me quote from one or two of these pamphlets. Mr. Swing: "The Pacific coast cities * * * are now at work to build an aqueduct to this river to bring to those cities additional domestic water which is vitally needed * * * they are doing it because they have exhausted all local resources * * * and have found that it is impossible for them to get an adequate supply of domestic water from any other source."

Hearing on H. R. 9826, part 3, page 105.

Mr. Mathews, one of California's commissioners, testifying before the House committee, stated that at an election held in Los Angeles there was a proposal submitted to the voters for their acceptance or rejection one of the proposals being, Shall the city contract with the Government for power at the dam for pumping water from the Colorado River for use within the city, which proposal was accepted by the voters.

Hearing on H. R. 2903, May 8 to 17, 1924, part 8, page 1845.

Again the proponents made a closing statement in writing shown in the last citation on page 1847, which I quote from:

"First an initial development by the Government comprising the construction of a large dam at Boulder Canyon adequate to fully control and desilt the river's floods * * * and make possible a domestic water supply for southern California communities."

The above is enough to show what representations were made to Congress on this subject to secure the passage of the bill, those benefited by revenue measures feel that if "domestic water" arguments were good enough to influence Congress, it is that kind of water that charges should be made for.

I have taken much of your time on questions of water and power because, regardless of figures, if proper charges are not made, Arizona can never receive that benefit which Congress intended she should have. It was on account of those features that caused Arizona to support the resolution at the seven river States meeting held last August at Salt Lake, which requested the Secretary to file with the governors of the seven river States all data upon which price fixing was to be based so that each State might have its engineers check the data and advise with the Secretary before charges were determined. I think it was unfortunate this was not done, as you are perhaps aware.

Arizona has been opposed to the 7-State compact. It is more than fair to the four upper basin States. They wanted it because they wanted to be protected against prior appropriations by California. They knew in Nevada use was very limited and also knew that large amounts of money were needed if Colorado River water was placed on Arizona's lands.

We knew that if a tri-State compact was not made with California, that California would have the right of prior appropriation against our State as to the waters allocated to the lower basin, and with her wealth, power, and influence Arizona would soon find that the Colorado River water would be of no benefit to her. In other words, on her shoulders rested the danger that theretofore had rested not only on Arizona but also on the other basin States, except California. Yet we were willing to even forego our objections to the 7-State compact if a compact could have been made along the lines suggested in our proposal. Our proposals were fair and, in my judgment, I know that it was the purpose of the commission to not bluff but to try and make proposals that would be fair to both States. We were unable to do it, and with the set-up that has now been fixed by the Secretary—that is, I mean the price that has been fixed for power, the price that has been fixed for water for the coastal plains, and the allocation—seems to render hopeless any compact.

Yours very sincerely,

CHARLES B. WARD.

EXTRACTS FROM ARTICLES PRINTED IN THE PRESCOTT (ARIZ.) EVENING COURIER, MAY, 1930

Press reports last week carried the intelligence that the members of the California delegation, headed by W. B. Matthews, of the California-Colorado River Commission, had established themselves in Washington for the purpose of seeing to it that Congress makes the desired appropriation of $10,660,000 with which to begin construction of the Boulder Canyon Dam.

* * * * * * *

Senator ODDIE, of Nevada, already has placed in print in the CONGRESSIONAL RECORD copies of his correspondence with the Secretary of the Interior (Wilbur, of California), this being in relation to the so-called contracts which were under negotiation with the California interests. The Secretary was unable to give Senator ODDIE a copy of these contracts for the stated reason that there were no copies in

Washington, but he admitted that the contracts were being written in California. An inspection of the contracts very plainly indicates that they not only were written in California but also were written by California, and for the benefit of California alone; it takes neither a sage nor a scholar to discern that this is true.

When the contracts were completed in Los Angeles to the satisfaction of the California dictators of them they immediately were transmitted by airplane to Washington. * * * On arrival in Washington the contracts instantly were sent to the Budget secretary, who, with equal alacrity, hurried them to the President, who, for once in his official career, exhibited a burst of speed, and rushed to Congress his appeal for an appropriation to begin work on the dam. It is quite apparent from the manner in which haste was employed that no one in Washington could or did take time to find out what these contracts were, whether gold bricks or bona fide agreements, before they were shoved into the hopper of Congress as the foundation for the raid on the United States Treasury for more than $10,000,000.

President Hoover once was a mining engineer in charge of large properties. If he had recommended and set in motion the expenditure of as big a sum for a mine corporation, with as little knowledge of it as he had of the Los Angeles conracts, he soon would have been dismissed from his responsibilities. Secretary Wilbur formerly was president of Stanford University. Had he authorized the spending of a vast sum for that institution and permitted some contractor to make the terms to suit himself, he soon would have been released from his duties. In their positions as servants of the American people they should exercise the same interest in appropriations they would have if a director or regent were scrutinizing their actions. Love for their native State doesn't whitewash laxity in extending favors, anxiety to push a program through doesn't excuse failure properly to guard public funds.

After everybody in California and in Washington got through with the contracts, copies of them were sent to Arizona. The Arizona-Colorado River commissioners recently have been favored with an opportunity to study the "California contracts." It is certain that many questions naturally will arise in regard to them in the forthcoming debates in Congress.

Primarily, Congress will endeavor to ascertain just where the Government of the United States "gets off," if the proposed appropriation is granted and expended. The Swing-Johnson Act (the Boulder Dam measure) clearly says that no appropriation shall be made until the Secretary of the Interior has in his hands contracts which will guarantee that the Federal Government will get its money back. The study of these contracts does not reveal that a "safe and sane" Congress will be satisfied on that point.

Inasmuch as the Secretary of the Interior apparently has decided in his own mind to jam the Colorado River compact down the throat of Arizona, and since it seems he will ignore the plain language of the Swing-Johnson bill in his evident determination to deliver all the benefits of the Boulder Dam project, lock, stock, and barrel, to California, and has made these hasty and uncertain contracts, the Evening Courier, for the enlightenment of its own readers, if nothing more, will ask the eminent Secretary of the Interior and the other active individuals from California some embarrassing questions. In propounding them, this newspaper will give comment and make some observations, which it is hoped will strengthen the faith of Arizonans in the river commission and win approval for what has been done and for what the commissioners propose to do.

* * * * * * *

Before Congress passed the Boulder Dam act it accepted the proposal of Representative LEWIS W. DOUGLAS to appoint the Seibert commission, which investigated costs and charges of the project and made a report. Congress quickly adopted this report, and, based upon it, passed the Boulder Dam measure, known as the Swing-Johnson bill. The Seibert report estimated a yearly income of $1,500,000 for the storage and delivery of water to the Metropolitan District of California, but the report also said "if the income from storage can be reasonably increased" the project might be feasible. Now, the representatives of the metropolitan district have written their own contracts, in their own way, and the authorities at Washington have cooperated and accepted them; contracts not for an income of $1,500,000 a year, or more, and not even $250,000 annually based on a 25-cent charge, but 25 cents an acre-foot for water delivered! What about it, Mr. Secretary of the Interior? Is such a one-sided and incongruous agreement worthy of officials who are supposed to look after the interests of the people of all the States without bias?

* * * * * * *

Why is 25 cents an acre-foot determined upon as a charge for this water? The California-Colorado River commission, in its negotiations with the Arizona commissioners, indicated that $1 an acre-foot would be acceptable. The Interior Secretary's own engineering experts calculated that 60 cents an acre-foot largely would compensate the United States Government for its outlay, leaving nothing whatever for Arizona or Nevada from this particular item. The Secretary, however, in his excessive benevolence, permitted the Californians to fix the rate at 25 cents because he thought that "domestic water" should not be unduly burdened. But Californians long since have abandoned all pretense of seeking the water for domestic purposes. They now frankly confess that it is wanted for irrigation of crops, for agricultural uses up and down the coastal plain wherever lands may be susceptible of subdivision and sale.

* * * * * * *

What has the Metropolitan Water District of Southern California agreed to do in its alleged contract? The purported contract for water is not a contract at all; it simply gives the metropolitan district a 10-year gratuitous option on 1,050,000 acre-feet of Colorado River water, but imposes no obligation whatever upon the district to take or pay for any of the water. The contract says: "This contract is for permanent service, but is made subject to the express covenant and condition that in the event water for the district is not taken or diverted by the district hereunder for district purposes within a period of 10 years from and after completion of the Boulder Canyon Dam, as announced by the Secretary of the Interior, it may, in such events, upon the written order of the Secretary and after hearing become null and void and of no effect."

Why should the United States furnish free storage facilities to the metropolitan district? The so-called contract does not suggest any charge for the storage of water, but merely agrees on the part of the Federal Government that it will store the water for nothing within the States of Arizona and Nevada and deliver to this California district, whenever it might want delivery, up to 1,050,000 acre-feet of water at 25 cents an acre-foot. The officials of the city of Prescott recently have been discussing the problem of obtaining an additional water supply, and they now are considering a proposal along those lines. In this proposal the charge is to be 33 cents a thousand gallons for the storage and delivery of water. Twenty-five cents an acre-foot is about one-twelfth of a cent per thousand gallons. Isn't it about time for the people of Arizona to wake up and realize what the people of southern California, aided by the Department of the Interior, are trying to do to this State?

Why should the metropolitan district be given electric power for pumping purposes, to be delivered and used near the Boulder Dam, at the price of electricity in Long Beach, Calif., without making any allowance for transmission costs from Long Beach to the place of delivery? In other words, the Boulder power is contracted at the same price of Long Beach power at the latter point of origin.

Under the terms of the so-called contract with the Metropolitan District, the district is given an option on approximately one-third of the power that the Boulder Dam can produce at 1.63 mills a kilowatt-hour. The Swing-Johnson Act, as stated by the legal advisor of the Secretary of the Interior, requires the sale of power on a competitive basis. The Secretary in his contract with the Californians fixed a single price for the power, which, it is claimed, would be the cost of generating electrical energy at the Long Beach steam plants. What would it cost to transmit the power from Long Beach to the projected pumps (which are to be used in pumping water out of the Colorado River Basin over the San Bernardino Mountains) of the Metropolitan District at or near the dam? Whatever that cost might be, it is proposed to donate it to the Metropolitan District by the so-called contracts.

Why should the United States Government supply Los Angeles and the Metropolitan District with the cheapest water and the cheapest electric power in the Southwest, accomplishing that by the use of storage and delivery facilities lying within the States of Arizona and Nevada?

The important issue involved here is State rights against Federal rights. President Hoover has expressed himself as strongly opposed to the threadbare idea that the Western States should be treated as wards of the United States Government. Secretary Wilbur, however, repeatedly has expressed the view that it was extremely unfortunate that here in the Southwest unimportant political units (meaning the States of Arizona and Nevada and some others) appear to be impediments to the proper development of the economic possibilities of the Colorado River. The Secretary clearly has indicated that, for the purpose of working out this tremendous problem, it is necessary to ignore these artificial political lines and trample the rights of the weaker States. The alleged contracts carry out the Secretary's theory. What essentially are assets of Arizona and Nevada he proposes to donate to the State of California. Imperial and Coachella Valleys are to receive their storage and delivery facilities for nothing. The Metropolitan District merely is required to pay a nominal charge of 25 cents an acre-foot for such water as it may want.

The Swing-Johnson Act seems to contemplate that Arizona and Nevada should derive revenue from the Boulder Dam project. The contracts ruthlessly reveal that such a notion completely has been subordinated for the purpose of according California a degree of benevolence and charity never bestowed upon another State, at the expense of others, since the Federal Union was formed. In this fashion the United States Government uses the assets of Arizona and Nevada for the purpose of playing Santa Claus to California.

* * * * * * *

Why was so much haste exercised in endeavoring to shove the $10,660,000 appropriation through during the closing days of this turbulent session of Congress? Common sense and caution should dictate that in

a matter of this importance the Interior Secretary's acts should be gone over as with a fine-tooth comb, scrutinized by the Attorney General's office of the United States, and submitted to the other States in the Colorado River Basin for investigation, and not be a rush case in which flying machines and other methods of speed were invoked.

According to the contracts, Californians are to get domestic water for their coastal cities, and, by hurrying the work on the dam, will bring large acreages of agricultural lands under cultivation. With the country already gravely burdened with overproduction, it would appear to the average man that no good could come to the Nation generally by bringing in more crop production just now. Congress already has appropriated $500,000,000 to be used in an effort to maintain prices of staples because of a surplus farm yield.

In regard to the domestic water supply of the Pacific coast, there is no less an authority than W. P. Whitsett, chairman of the board of directors of the Metropolitan Water District, who is now in Washington lobbying for the $10,660,000 Boulder Dam appropriation, that, unless the dam is constructed right away, the people of southern California would be bewildered and not know what to do, and there would be vacant store buildings, deserted homes, unemployment, and unsold subdivisions. He made this statement at the Reno, Nev., meeting of the Colorado River commissions of the various States. The tendency to keep on extending city limits and selling lots is not new in Los Angeles and vicinity. In 1868 a man by the name of Stephen Powers walked across the country from Raleigh, N. C., to Los Angeles and on to San Francisco. He wrote his impressions in a book entitled "Afoot and Alone from Sea to Sea." In his written narrative one thing stood out as a cardinal experience of the long tramp, and it was the fact that in Los Angeles almost everyone with whom he came in contact tried to sell him town lots. They still are in that occupation, but now are enlisting the aid of the United States Government through the Boulder Dam project.

What benefits will Arizona get from the Swing-Johnson Act or the contracts with southern California made by the Secretary of the Interior?

The Interior Secretary recently gave out a long statement, pointing to what he considered extensive benefits to Arizona under the provisions of the Swing-Johnson Act.

This great enterprise is to be built by the United States Government, which will pay the costs, and with no other purpose than to enrich southern California. Although the Swing-Johnson measure authorizes an appropriation to investigate the Parker-Gila project on the Arizona side of the river, the Secretary of the Interior made no request for such an appropriation. The measure says Imperial and Coachella Valleys shall obtain water for nothing, the water to be taken entirely outside of the Colorado River watershed. The United States is to advance something like $30,000,000, without interest, with which to construct the all-American canal. Whatever water Arizona might be able to take from the dam's reservoir must be paid for at whatever rates the Secretary of the Interior wants to charge. But Arizona can not get any water from either the reservoir or the lower reaches of the river under the terms of the Swing-Johnson Act, unless this State accepts the terms of the Colorado River compact.

The Secretary's contracts purport to allot to Arizona 18 per cent of the power that may be developed at the dam. Just what authority the Secretary of the Interior had to make such an allocation has not yet been discovered. It certainly is not embodied in the Swing-Johnson Act. But, regardless of the mythical authority, whatever power Arizona sometime might care to take and use under these contracts must be obtained through the city of Los Angeles, which will have charge of the generating plant at the dam. Arizona must go to Los Angeles to arrange for whatever electrical power the State may want. Also, if Arizona desires to procure any of this power, the State must accept the terms of the Colorado River compact.

In the reconstruction period following the Civil War a few similar coercive pieces of legislation were passed by Congress for the purpose of further throttling the Southern States. But, aside from these unwise and unfortunate examples, the legislative history of Congress will not show anything comparable to the attempt made through the Swing-Johnson Act, and with the assistance of the Secretary of the Interior, to force Arizona to agree to the terms of the Colorado River compact, whether the people of the State like those terms or not.

If anyone in California or anywhere else is beguiled into the belief that Arizona meekly will submit to such coercion, whether in large or small details, he eventually will find his assumption based upon pillars of air.

Except by agreement between Arizona and California, Arizona emphatically denies that California can take a drop of water out of the drainage basin of the Colorado River, and any such attempt will be opposed by this State with all the might that can be summoned in the cause of right.

* * * * * * *

Why was no water compact made between Arizona and California?

For a number of years, and almost since the Colorado River compact was prepared in Santa Fe, N. Mex., in 1921, attempts have been made by the representatives of this State, through conferences and negotiations, to arrive at an understanding wherein Arizona definitely might know what water she was going to get out of the main stream of the Colorado. At no time during the progression of these conferences has there ever been in evidence an honest and earnest endeavor on the part of California to reach any kind of just conclusion or a fair determination of that question. Whenever an approach to a settlement was made, the matter always was referred back to Washington, to find out what those in authority might do or advise, California assuming from the outset that the Colorado River, with all its tributaries, was a Federal asset and a Federal property, and that Congress was in a position, and in a frame of mind, to give, or take away, the benefits of the river to or from any State.

Arizona from the beginning of the controversy has contended that the waters of the Colorado River, in so far as they flowed through Arizona, were the property of this State and could not be taken away without the consent of Arizona. Statistics show that there are approximately 8,500,000 acre-feet of water in the main stream, out of which the demands of Mexico probably will have to be satisfied, and the remainder to be divided between Arizona and California.

In 1927 the Governors of Colorado, New Mexico, Utah, and Wyoming, at a conference of the representatives of all the river-basin States, decided that California was entitled to 4,200,000 acre-feet of the total of 8,500,000. California at once refused to accept that quantity, her agents asserting that she needed 4,600,000 acre-feet. Other subsequent conferences were held, and steadily the demands of California have increased from the 4,600,000 acre-feet, demanded at Denver in 1927, to 5,800,000 acre-feet asked at the conference in Washington in June, 1929. It necessarily is evident that every time the demands of California are raised, it means that Arizona would be allotted that much less.

California, in all the negotiations with Arizona, openly has coveted even the waters in the streams wholly within this State, and more recently, at the Reno and Phoenix conferences, the Californians have come out unblushingly and claimed one-half of the waters in the streams that flow into the Colorado River through Arizona. "But," the Californians said, "if Arizona wanted to keep all of the waters in the tributaries, then California would take the equivalent out of the main stream of the Colorado River."

Arizona always has been willing to settle the long-drawn-out river dispute, but rather than give up any hope of ever getting anything out of the river, for the sake of peace she will submit her claims and rights to such tribunals as will accord her a hearing with the utmost confidence that in dealing justice between two sovereign States this State will be allowed to retain that which is hers and to which she justly is entitled.

Why didn't Arizona agree to the power contracts?

The Swing-Johnson Act, in section 8B, empowers the States to enter into a compact respecting advantages to be derived from the benefits of the appropriation, delivery, and use of water for power purposes. However, there was a joker in the act, to the effect that if the Secretary of the Interior made contracts before such a compact was reached, then the compact would be subject to the contracts prepared and accepted by the Secretary.

From the very inception of this controversy California has maintained that the Secretary of the Interior was the one to determine any question at issue, and that the States had nothing to do with it. Arizona, on the other hand, stoutly maintained that it was a matter which should be decided by the States themselves, and when such compact was signed and approved by Congress then the Secretary would be guided and governed by its terms.

The foregoing in a certain measure explains the undue haste of California and the Secretary of the Interior in dealing with the contracts. It also explains why at the various futile conferences that have been held Californians refused to concede that the States could make such contracts.

The foregoing summary of the situation can not help but make Arizonians wonder if there was anything but the interests of California in the minds of those who occupy "the seats of the mighty," and also to wonder if they had not been certain of favoritism would the Los Angelans have been willing to have excluded the States from the decisions.

Californians have opposed any suggestion to have faith in an agreement between the States as to a division of the waters and power, and because they must feel in their own hearts that if such an agreement were made then Arizona would receive substantial benefits for relinquishing for all time the great natural resources that are included in the building and operation of this vast water and power project.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona.

The amendment was rejected.

Mr. HAYDEN. I have a third amendment which I desire to offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Arizona offers the following amendment:

On page 45, after line 14, insert a new paragraph, as follows:

"For studies, surveys, investigations, and engineering to determine the lands in the State of Arizona that should be embraced within the

Parker-Gila Valley reclamation project as authorized by section 11 of the Boulder Canyon project act, $250,000."

Mr. JONES. Mr. President, I desire to say that that is authorized by law. What we may do with it in conference I do not know. I am willing to accept it on the bill and take it to conference.

Mr. HAYDEN. I ask to include in the RECORD section 11 of the Boulder Canyon project act authorizing this appropriation and a letter from the Commissioner of Reclamation.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

SEC. 11. That the Secretary of the Interior is hereby authorized to make such studies, surveys, investigations, and do such engineering as may be necessary to determine the lands in the State of Arizona that should be embraced within the boundaries of a reclamation project, heretofore commonly known and hereafter to be known as the Parker-Gila Valley reclamation project, and to recommend the most practicable and feasible method of irrigating lands within said project, or units thereof, and the cost of the same; and the appropriation of such sums of money as may be necessary for the aforesaid purposes from time to time is hereby authorized. The Secretary shall report to Congress as soon as practicable, and not later than December 10, 1931, his findings, conclusions, and recommendations regarding such project.

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, May 29, 1930.

Hon. CARL HAYDEN,
United States Senate.

MY DEAR SENATOR HAYDEN: In response to your letter of May 21, 1930, there is attached hereto itemized statement of expenditures to June 30, 1930, for surveys and other investigations in the Colorado River Basin. These expeditures have been made from the reclamation fund and from funds contributed by interested parties.

In addition to the expenditures shown on the statement there is available during the fiscal year 1931, an additional appropriation of $175,000 made available from the reclamation fund by the first deficiency act, fiscal year 1930. Of this amount, $50,000 was to be used for continued investigations of the all-American canal. However, if an appropriation is made from the General Treasury for the Boulder Canyon Dam, approximately $170,000 will be available from the reclamation fund during fiscal year 1931 for investigations in the Imperial Valley and all-American canal. In this connection see House Document No. 383.

The appropriation item now before Congress for the Boulder Canyon Dam contemplates reimbursement at this time of only the expenditures made from the reclamation fund for the Boulder Dam and Reservoir. The item of $385,000 does not include any expenditure made for the Imperial Valley and all-American canal. The Imperial Irrigation District and the Coachella County Water District have agreed to cooperate with the United States in this work.

Very truly yours,

ELWOOD MEAD, *Commissioner.*

Colorado River Basin

Description of investigation	United States	Contributed funds	Total cost
Cost to June 30, 1929:			
Boulder Dam and Reservoir—			
Cooperative investigations, 1921–1927	$191,447.03	$141,000.00	$332,447.03
Colorado River Basin advisers, fiscal year 1928	9,167.83	----------	9,167.83
Colorado River Basin Board, fiscal year 1929	46,752.44	----------	46,752.44
Boulder Dam, preliminary work, 1929	21,561.90	----------	21,561.90
Subtotal	268,929.20	141,000.00	409,929.20
Imperial Valley, all-American canal	16,744.31	27,553.47	44,297.78
Subtotal	285,673.51	168,553.47	454,226.98
Estimated cost, fiscal year 1930:			
Boulder Dam	115,000.00	----------	115,000.00
All-American Canal	33,000.00	25,000.00	58,000.00
Subtotal	148,000.00	25,000.00	173,000.00
Grand total to June 30, 1930 (estimated)	433,673.51	193,553.47	627,226.98

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 12343) to authorize the Secretary of the Treasury to accept donations of sites for public buildings.

The message also announced that the House had passed a bill (H. R. 13174) to amend the World War veterans act, 1924, as amended, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 12343) to authorize the Secretary of the Treasury to accept donations of sites for public buildings, and it was signed by the Vice President.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 7119. An act to authorize the establishment of a Coast Guard station on the coast of Florida at or in the vicinity of Lake Worth Inlet;

H. R. 11136. An act authorizing the Florence Bridge Co., its successors and assigns, to construct, maintain, and operate a toll bridge across the Missouri River, at Florence, Nebr.;

H. R. 12844. An act granting the consent of Congress to the State of Montana, the counties of Roosevelt, Richland, and McCone, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.;

H. R. 12919. An act granting the consent of Congress to the State of Montana or any political subdivisions or public agencies thereof, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River southerly from the Fort Belknap Indian Reservation at or near the point known and designated as the Power-site Crossing or at or near the point known and designated as Wilder Ferry;

H. R. 12920. An act granting the consent of Congress to the State of Montana and the counties of Roosevelt and Richland, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 12993. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Little Calumet River at One hundred and fifty-ninth Street in Cook County, State of Illinois; and

H. J. Res. 372. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., in consideration of the relinquishment by the United States of all its rights and interest under a lease of such island dated July 5, 1918; to the Committee on Commerce.

H. R. 7639. An act to amend an act entitled "An act to authorize payment of six months' death gratuity to dependent relative of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928; to the Committee on Naval Affairs.

H. R. 11623. An act to provide for the appointment of an additional district judge for the southern district of Texas; to the Committee on the Judiciary.

H. R. 13174. An act to amend the World War veterans' act, 1924, as amended; to the Committee on Finance.

H. J. Res. 303. Joint resolution to amend Public Resolution No. 80, Seventieth Congress, second session, relating to payment of certain claims of grain elevators and grain firms; to the Committee on Claims.

H. J. Res. 321. Joint resolution to authorize an appropriation of $4,500 for the expenses of participation by the United States in an International Conference on the Unification of Buoyage and Lighting of Coasts, Lisbon, 1930; to the Committee on Foreign Relations.

PERMANENT INTERNATIONAL ASSOCIATION OF ROAD CONGRESSES
(S. DOC. NO. 200)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, fiscal year 1931, amounting to $30,000, for an additional amount for the Sixth Session of the Permanent International Association of Road Congresses, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS OF SISSETON AND WAHPETON BANDS OF SIOUX INDIANS
(S. DOC. NO. 201)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Indian Affairs, fiscal year 1931, amounting to $300,000, for payment of claims of the Sisseton and

Wahpeton Bands of Sioux Indians, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CONTINGENT EXPENSES, UNITED STATES CONSULATES
(S. DOC. NO. 202)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation pertaining to existing appropriations for the Department of State for contingent expenses, foreign missions, and contingent expenses, United States consulates, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 12902) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes.

Mr. McKELLAR. Mr. President, I should like to offer the committee amendment which I send to the desk.

The VICE PRESIDENT. It was agreed that committee amendments were first to be disposed of. The amendment will be stated.

The CHIEF CLERK. The Senator from Tennessee offers the following as a committee amendment:

On page 120, after line 20, insert:

"Toward rebuilding and resurfacing with concrete the road situated in Shiloh National Military Park in Tennessee from the original boundaries of the park to the Corinth National Cemetery at Corinth, Miss., at a total limit of cost of $306,000, there is hereby reappropriated the sum of $100,000 already appropriated in the military affairs appropriation act approved May 28, 1930, to be expended under the direction of the Secretary of War under the terms of this act instead of under the terms of said act of May 28, 1930: *Provided*, That the State of Tennessee will build a like concrete road from the boundaries of Shiloh National Park northward to connect with Tennessee State Highway No. 15, a distance of about 5 miles, such road to be built prior to the completion of the road provided for herein."

Mr. JONES. Mr. President, I desire to make a point of order against that amendment. It changes a law that we have already passed, and in that respect it is new legislation on an appropriation bill. It also changes the character of the road that the previous act provides to be built, and in that respect it is also new legislation on an appropriation bill.

Mr. McKELLAR. Mr. President, all I need to say about it is that the original act creating the national parks specifically authorized the building of roads, and, of course, this amendment is authorized under that act. The act does not provide what kind of roads shall be built. The act of May 28, 1930, simply provided that this road should be made out of gravel and oil, and this amendment provides that it shall be made out of concrete.

The committee authorized me to report the amendment. I think the vote was unanimous with the exception of the chairman. I ask that the committee be sustained, and that the amendment be adopted.

The VICE PRESIDENT. The Chair is ready to rule.

The original act of 1894 provides:

That to enable the Secretary of War to begin to carry out the purpose of this act, including the condemnation or purchase of the necessary land, marking the boundaries of the park, opening or repairing necessary roads—

And so forth. The Chair thinks under that law the amendment is in order.

The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the committee.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I offer the amendment which I send to the desk.

Mr. JONES. Mr. President, we have a committee amendment to dispose of before other amendments come in.

The VICE PRESIDENT. The Chair was advised that all the committee amendments were disposed of.

Mr. JONES. No; there is one remaining. Will the Senator from Mississippi withhold his amendment until this one is disposed of?

Mr. HARRISON. Certainly.

The VICE PRESIDENT. The amendment of the committee will be stated.

The CHIEF CLERK. On page 7, the committee offers the following amendment:

EXECUTIVE

Investigation of enforcement of prohibition laws: For the exclusive purpose of continuing the inquiry into the problem of the enforcement of the prohibition laws of the United States, pursuant to that particular provision of the first deficiency act, fiscal year 1929, to be available for such inquiry only notwithstanding the provisions of any other act, and to be expended under the authority and by the direction of the President of the United States, who shall report the results of such investigation to Congress, together with his recommendations with respect thereto, fiscal year 1931, $50,000, together with the unexpended balance of the appropriation for this purpose as contained in the first deficiency act, fiscal year 1929, which shall remain available until June 30, 1931.

Mr. JONES. Mr. President, I desire to offer a substitute for the committee amendment. I send it to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment offered by the Senator from Washington, in the nature of a substitute, will be stated.

The CHIEF CLERK. The Senator from Washington offers the following:

On page 7, strike out lines 2 to 15, inclusive, and insert in lieu thereof the following:

"Investigation of enforcement of prohibition and other laws: For continuing the inquiry into the problem of the enforcement of the prohibition laws of the United States, together with enforcement of other laws, pursuant to the provisions therefor contained in the first deficiency act, fiscal year 1929, to be available for each and every object of expenditure connected with such purposes notwithstanding the provisions of any other act, and to be expended under the authority and by the direction of the President of the United States, who shall report the results of such investigation to Congress, together with his recommendations with respect thereto, fiscal year 1931, $250,000, together with the unexpended balance of the appropriation for these purposes contained in the first deficiency act, fiscal year 1929, which shall remain available until June 30, 1931."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Washington, in the nature of a substitute for the committee amendment.

Mr. TYDINGS. Mr. President, will the Senator yield? I think we ought to have a couple of Senators here.

Mr. JONES. I should like to have as many present as we can get here.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. JONES. I yield to the Senator.

Mr. HARRISON. The prohibition question generally precipitates a good deal of discussion. Is it asking too much of the chairman of the committee to permit me, before we get into that discussion, to offer this other amendment and get it out of the way? It will conduce greatly to my peace of mind. I have a very important engagement of an official nature that I should like to keep.

Mr. JONES. If it will not lead to the offering of several other amendments that I know Senators are anxious about, I shall have no objection.

Mr. HARRISON. I do not think this amendment will lead to very much discussion, because I am sure that upon an explanation of it the Senator from Washington will accept it.

Mr. JONES. If no other Senator objects, I shall not object to the Senator's offering it at this time. It is apt, however, to lead to the offering of other amendments.

Mr. TYDINGS. I think there are probably two or three amendments that some Senators have, about which I do not believe there will be any debate. In case there is no debate, I wonder whether the Senator would extend us that privilege. In my case I shall have to leave to-morrow, and I should like very much to have considered an amendment which I have to offer.

Mr. JONES. Mr. President, I do not know that it will save any time to insist upon this committee amendment being disposed of first; and if no other Senator objects I shall make no objection to the presentation of these individual amendments.

The VICE PRESIDENT. Without objection, the committee amendment is temporarily withdrawn.

Mr. HARRISON. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Mississippi offers the following amendment:

On page 20, under the heading "Bureau of Agricultural Economics," insert the following:

"Market news service: For an additional amount to enable the Secretary of Agriculture to collect, publish, and distribute by telegraph, mail, or otherwise timely information on the current market prices of cottonseed and cottonseed products independently and in cooperation

with State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of cottonseed and cottonseed products, $25,000."

Mr. JONES. Mr. President, I shall have to make a point of order against that amendment.

Mr. HARRISON. Will not the Senator withhold the point for a moment?

Mr. JONES. I withhold it for the moment.

Mr. HARRISON. Before the Senator makes the point of order I desire to say to him that in distributing this information touching prices of farm products, and so forth, practically everything is included except cottonseed and cottonseed products. Reports which I have here, but with which I do not want to burden the Senate, made by the Tariff Commission following an investigation by the Federal Trade Commission of cotton products, show that there are greater fluctuations in the values of cottonseed products than in the value of any other farm products of the United States. There is no market quotation for them. They are not quoted on any exchange; so a farmer just goes to one town, and he might get $20 a ton there while in another town they would be paying $30 a ton.

It is estimated that if, over our wire service, we could have distributed this information on prices of cottonseed and cottonseed products, the farmers would save $75,000 annually on this one item. I am asking only $25,000 to carry on the service. As I say, the Government is doing this with everything else, so far as I know, except cottonseed and cottonseed products; and of all the grain farm products, cottonseed ranks fourth. I think corn, wheat, and oats outrank it, and cottonseed comes next.

I hope the Senator will not make a point of order, so that this amendment can be adopted, and the farmers at least can get this mite of relief during this Congress.

I ask to have printed in the RECORD at this point a memorandum on this subject.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON COTTONSEED

The most astounding single fact in the whole agricultural situation in the United States to-day is the fact that cottonseed, the leading seed crop of the South, has been permitted to remain the football of speculators with no constructive attention paid to it by Congress. Let us look at the facts.

Only three other grain seeds produced in the United States—corn, wheat, and oats—exceed in volume the annual production of cottonseed. Last year 6,435,000 tons, or 386,100,000 bushels, of cottonseed were produced. This is almost equal to the country's total production of barley, rye, and flax.

In the South, among seed crops, cottonseed, of course, ranks first. Its cash value last season, according to Bureau of Census figures, was $233,526,000.

But under what adverse conditions must the southern farmer market this important crop?

While the quality and value of corn, wheat, oats, and several other seed crops less important than cottonseed are determined by adequate and elaborate systems of sampling and grading and extensive current market news reporting—wheat, for example, being adequately graded, and being sold on 41 different exchanges and its current daily value otherwise widely broadcast—cottonseed is sold without a system of standard grades and without current information as to its market value. Both quality and value are undetermined generally, and, therefore, subjected to the caprices of the trade.

Furthermore—and here is an outstanding economic evil—these conditions have encouraged speculation on a big scale. That the numerous dealers handling the seed between the farmers and the mills have taken full advantage of this ungraded and unappraised farm commodity is apparent everywhere. Farm products sold without quality standards and without information about their competitive market value are subject to speculative manipulation always.

Such conditions would result, naturally, in unfair and unstable markets—disturbing and unsatisfactory alike to both producers and crushers.

In its 1928 report on the cottonseed industry, the Federal Trade Commission said, "The uncertainty of the value of the seed has always been a cause of dissatisfaction, first, because of the lack of a system of grading the grower realizes no more for seed of a good quality than for seed of an inferior quality; and, second, because of the unavailability of reliable information as to the current market value of cottonseed, he is not aware as to whether the ginner is paying him a fair price." Again, the commission stressed this condition it found in the cottonseed markets: "There are no published prices on either cottonseed or its products, and for this reason the industry has been described as highly speculative."

To those who know the facts it is not surprising that the noted agricultural economist from New York's Cornell University, Doctor Boyle, should return after a survey of farm marketing conditions in the South and publish an article about the "southern farmers' economic Cinderella"—cottonseed.

The United States Department of Agriculture in response to enactments of Congress has promulgated nearly a hundred grading systems, either mandatory or permissive, for that many different agricultural products.

After several years of intense research and study, based on direct contacts with the problem, the Department of Agriculture's committee on methods of sampling and analyzing cottonseed under the direction of Mr. G. S. Meloy, of the Bureau of Agricultural Economics, has recently completed its preliminary study necessary to the establishment of a scientific system for the grading and analyzing of cottonseed.

The grading plan that has been suggested by the department was recently adopted by the cottonseed-oil mills, and for the coming season they will base their quotations on the department's standard grade, and will pay a premium for the better quality of seed. This is a great forward step, and some day this grading system will be extended to cover the wagonload lots of seeds, and in this way the actual value of the seed, determined by chemical analysis, will in all cases be reflected back to the grower.

However, no provision has been made and there is no comprehensive public or private system for reporting or broadcasting competitive market values of cottonseed.

In the case of cottonseed, unlike cotton, corn, wheat, and livestock, there are no exchanges, no large central markets where competitive values can be determined. The cottonseed markets are decentralized—widely scattered over the Cotton Belt. This fact makes a Government price-reporting service more essential than in the case of many other farm commodities where big centralized markets facilitate the dissemination of market information.

Twenty-five thousand dollars will enable the Department of Agriculture to utilize its existing market-reporting agencies in the cotton States to collect and publish or broadcast the daily cottonseed markets, so that farmers, and all interested parties, will know what the market is.

Students of marketing have estimated that the income of the growers of cottonseed will be increased at least $25,000,000 annually by the establishment of a grading and market-reporting system.

I want to call your attention now to some of the appropriations Congress has given the Department of Agriculture to aid in the marketing of farm products other than cottonseed—many of which are much less important than cottonseed. The agricultural appropriation bill for next year provides:

"For acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing, handling, utilization, grading, transportation, and distributing of farm products, $816,800."

"For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy, and poultry products, fruits, and vegetables, peanuts and their products, grain, hay, feeds, and seeds, and other agricultural products, $1,385,000."

"For enabling the Secretary of Agriculture to investigate and certify to shippers and other interested parties the class, quality, and/or condition of cotton, tobacco, and fruits and vegetables, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary of Agriculture may from time to time designate, $525,000."

"To enable the Secretary of Agriculture to carry into effect the provisions of the United States grain standards act, $825,000."

"To enable the Secretary of Agriculture to carry into effect the provisions of the United States cotton futures act, $234,500."

"To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled 'An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture, $25,000."

Here are $3,811,300 which next year will be spent by the Bureau of Agricultural Economics for market services on farm products other than cottonseed. No provision has been made to help the cottonseed growers. Surely, with a crop valued at over $225,000,000 and potentially much greater, they are entitled to the $25,000 for which we ask.

Mr. McKELLAR. Mr. President, may I say that I have had many telegrams and letters about this amendment from those engaged in the cottonseed-products business in Memphis, and from other places. I offered such an amendment down in the committee, but the Senator from Washington said that he would make a point of order against it. I am very happy that the Senator from Mississippi has brought it before the Senate. As I understand, the Senator has given the proper notice of a motion to suspend the rules and offer it anyway.

Mr. HARRISON. Yes; but I did not want to insist on having that done.

Mr. McKELLAR. I hope very much the chairman of the committee will not make the point of order, but will let the

Senate pass upon the amendment, and at least take it to conference. I made that request of him, as he recalls, in the committee, and I want to make it again publicly. I hope very much, in the interest of those who are engaged in the cottonseed-products business, that the Senator will let the Senate vote on the amendment.

Mr. HARRISON. May I say to the Senator from Washington that this matter was presented to me just the latter part of the week. I wanted to appear before the committee in regard to it with my friend here, but I was tied up in the Foreign Relations Committee. If the Senator will allow the Senate to adopt the amendment, and have an explanation in conference from the Agricultural Department, they will raise no objection to it; and upon investigation I am sure the Senator will see that very great value attaches to getting these market quotations over our wire service.

I hope, therefore, that the Senator will allow this amendment to be offered and adopted.

Mr. JONES. Mr. President, the committee has instructed me to make points of order on propositions that are subject to them. This matter can well go to the Agricultural Committee and be submitted to it, and be taken care of in the next agricultural appropriation bill if it be necessary; so I shall make the point of order.

Mr. HARRISON. Mr. President, may I say to the Senator, before he puts down the door on this matter, that the Senator knows that that is quite a long time. I know of no class of farmers that has been harder hit than the cotton farmers. The price of cotton has declined within the last six months from about 20 cents to about 13 cents a pound now, and cottonseed has gone down worse than that. This is really a place where we could be of some benefit to the cotton farmers now.

I sincerely hope the Senator will at least let this matter go to conference, notwithstanding the fact that a point of order probably would lie against it.

Mr. JONES. Mr. President, of course I sympathize with the cottonseed producers. This matter, if it had been pressing for some little time, could have been taken up some time ago. I do not think we have had a satisfactory showing that the situation will be taken care of by this appropriation; but, at any rate, I shall have to make the point of order.

Mr. HARRISON. Mr. President, I desire to make the motion mentioned in the notice, and ask for a vote upon it.

The VICE PRESIDENT. The Secretary will read the notice.

The CHIEF CLERK. On June 24, 1930, the Senator from Mississippi offered the following notice:

Pursuant to the provisions of rule 40, I hereby give notice of my intention to move to suspend paragraph 3 of Rule XVI for the purpose of proposing to House bill 12902, the second deficiency appropriation bill, the following amendment, namely:

On page 30, after line 16, insert the following:

"Market news service: For an additional amount to enable the Secretary of Agriculture to collect, publish, and distribute by telegraph, mail, or otherwise timely information on the current market prices of cottonseed and cottonseed products independently and in cooperation with State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of cottonseed and cottonseed products, $25,000."

The VICE PRESIDENT. The question is on the motion to suspend the rules.

Mr. JONES. Mr. President, I did not know any such notice as that had been given. Of course, it is up to the Senate to decide whether they will start suspending the rules to allow different amendments to be agreed to. If the rules are to be suspended to allow action on one amendment, the Senate will be asked to suspend the rules to act on other amendments. But, of course, that is a matter for the Senate to decide. I do not think we ought to do it. I do not think we ought to enter upon that program.

Mr. HARRISON. Mr. President, the Senator knows that I do not offer a lot of frivolous amendments to appropriation bills, and if I did not think this was a very vital matter I would not even present the amendment. I certainly would not ask that the rules be suspended in order to make it in order. But this amendment is to take care of an emergency of very great importance at this time, and I hope it will be agreed to.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi to suspend the rules.

On a division, the motion was agreed to, two-thirds of the Senators present voting in the affirmative.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

Mr. TYDINGS. Mr. President, I have an amendment, which I ask to have read.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. The Senator from Maryland offers the following amendment, to be inserted at the proper place:

Two hundred and fifty thousand dollars for elimination of grade crossing of Baltimore & Ohio Railroad Co.'s tracks in the District of Columbia at or near Fern Street in accordance with the provisions of S. 4223, as passed by the United States Senate at this session.

Mr. JONES. Of course, Mr. President, under our rules that is not subject to a point of order, so I will not make any point against it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I offer an amendment, which is on the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 70, after line 11, insert the following:

Permanent International Association of Road Congresses: For an additional amount for the expenses of the sixth session of the Permanent International Association of Road Congresses to be held in the United States as authorized by Public Resolution No. 18, approved March 28, 1928, as amended, including compensation of employees in the District of Columbia and elsewhere, rent in the District of Columbia, printing and binding, transportation, subsistence or per diem in lieu of subsistence (notwithstanding the provisions of any other act), contract stenographic reporting services without regard to section 3709 of the Revised Statutes, official cards, hire of motor-propelled passenger-carrying vehicles, and such expenses as may be actually and necessarily incurred by the Government of the United States in the observance of appropriate courtesies, fiscal year 1931, $30,000.

Mr. JONES. Mr. President, that is also pursuant to an act which has passed both the House and the Senate and has been signed by the President.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, I propose the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Montana offers the following amendment, which will be inserted at the proper place:

Bronze bust of late Lieut. James Melville Gillis, United States Navy: For carrying out the provisions of the act entitled "An act to provide for the purchase of a bronze bust of the late Lieut. James Melville Gillis, United States Navy, to be presented to the Chilian National Observatory" approved June 9, 1930, to remain available during the fiscal year 1931, $1,200.

Mr. JONES. Mr. President, I understand that has been provided for by law, and is not subject to a point of order.

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I desire to propose an amendment on behalf of my colleague [Mr. FLETCHER] and myself.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 127, after line 8, to insert the following:

Caloosahatchee River and Lake Okeechobee drainage areas, Florida: For improvement of the Caloosahatchee River and Lake Okeechobee drainage areas, Florida, on account of emergency flood conditions, to be expended under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the report submitted in Senate Document No. 115, Seventy-first Congress, second session, $2,000,000, to remain available until expended.

Mr. JONES. Mr. President, I will have to make a point of order against that, because it has not been estimated for and has not been reported by a standing committee of the Senate.

Mr. TRAMMELL. I would like to make a brief statement with regard to the amendment.

Mr. JONES. I will withhold the point of order.

Mr. TRAMMELL. The rivers and harbors bill, which has passed both Houses, but has not yet been approved by the President, contains an authorization for this particular project in a sum far in excess of the amount mentioned in the amendment. On account of flood conditions which exist at the present time, there seems to be a great demand for some immediate relief, approaching an emergency situation. I have proposed this amendment on the part of my colleague and myself in the hope that we might have made immediately available $2,000,000, so that the work may proceed without further delay. That is the reason why we have offered the amendment. Of course, at the time I sent it to the desk a day or two ago to be proposed, we hoped that by this time we would have the

approval of the board of Army engineers, and also that the rivers and harbors bill would have been approved.

I desire to have this statement appear in the RECORD.

Mr. JONES. Mr. President, I know that both the Senator and his colleague are very much interested in this matter; but the rivers and harbors matters are taken care of in other ways, so I will have to make the point of order.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. BLACK. Mr. President, I send an amendment to the desk which I desire to offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 123, after line 14, to insert:

Acquisition of land, Maxwell Field, Ala.: For the acquisition of additional land in the vicinity of and for use in connection with the present military reservation at Maxwell Field, Ala., fiscal year 1931, to remain available until expended, $200,000.

Mr. BLACK. Mr. President, I desire to state that this expenditure has been authorized. It was passed in the House several weeks ago and passed in the Senate some days ago. The authorization bill was sent to the Senate Committee on Military Affairs with a request from the War Department that it be acted on at this session of Congress. It was one of the emergency measures which we took up some days ago in the meeting of the committee. It is for the purpose of acquiring land to be used in connection with a new tactical school. It will be used for the construction of officers' quarters. If it is not available for use at the time the school begins operations, according to figures furnished me, it will cost the Government a considerable amount of money for commutation of quarters. It is authorized, and will have to be spent some time.

Mr. JONES. Has the legislation passed both Houses and been signed by the President?

Mr. BLACK. I have not investigated to see whether or not the President has signed the bill. It has passed both the House and the Senate.

Mr. JONES. Of course, it is not a law if the President has not signed it.

Mr. BLACK. I have not investigated to see whether the bill has been signed or not. I assumed there was no possibility that the President would not sign it.

Mr. JONES. There is no official estimate for it. I make the point of order that it is not in pursuance of law.

Mr. BLACK. I contend it is not out of order, since it has passed the Senate and the House.

The VICE PRESIDENT. If the bill has passed the Senate, the Chair is of the opinion that it is in order.

Mr. BLACK. It passed the Senate some time ago. I was sitting here when it passed.

The VICE PRESIDENT. The Chair overrules the point of order, and the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The Secretary will report the amendment.

The CHIEF CLERK. On page 35, after line 25, insert:

Coast Guard station on the coast of Green Bay at or in the vicinity of Strawberry Passage, in Door County, Wis.: For the construction and equipment of a Coast Guard station on the coast of Green Bay at or in the vicinity of Strawberry Passage, in Door County, Wis., at such point as the Commandant of the Coast Guard may recommend, as authorized by the act entitled "An act to authorize the establishment of a Coast Guard station on the coast of Green Bay at or in the vicinity of Strawberry Passage, in Door County, Wis.," approved September 21, 1922, $35,000, to be available until expended.

Mr. JONES. I make a point of order against that on the ground that there is no estimate for it, and no report from a committee, and, as I understand, legislation has not been passed authorizing it.

Mr. BLAINE. Mr. President, the legislation authorizing this was passed, and approved September 21, 1922. I have a citation to volume 42, part 1, United States Statutes at Large, page 991. The appropriation has been recommended by Admiral Billard for the last several years.

Mr. JONES. But no official estimate has come to the Congress.

Mr. BLAINE. The matter has been submitted to the Budget Bureau; but the law authorizes this appropriation.

Mr. JONES. Was it a law dealing with this particular matter?

Mr. BLAINE. Exactly. It reads:

That the Secretary of the Treasury be and is hereby authorized to establish a Coast Guard station on the coast of Green Bay at or in the vicinity of Strawberry Passage, Door County, Wis.

That is exactly the language used in the proposed amendment.

Mr. JONES. Is there any specific authorization of any sum of money?

Mr. BLAINE. It continues "in such locality as the Captain Commandant of the Coast Guard may recommend, at a limit of cost for station buildings," and so forth, of $35,000. The amendment uses the language of the authorization.

The VICE PRESIDENT. If the amendment is within the language of the existing law, the Chair will hold that the point of order is not well taken.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. Mr. President, there is one committee amendment which has gone over.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from Washington offers the following substitute for the committee amendment, on page 7, to strike out lines 2 to 15, inclusive, and to insert in lieu thereof the following:

Investigation of enforcement of prohibition and other laws: For continuing the inquiry into the problem of the enforcement of the prohibition laws of the United States, together with enforcement of other laws, pursuant to the provisions therefor contained in the first deficiency act, fiscal year 1929, to be available for each and every object of expenditure connected with such purposes notwithstanding the provisions of any other act, and to be expended under the authority and by the direction of the President of the United States, who shall report the results of such investigation to Congress, together with his recommendations with respect thereto, fiscal year 1931, $250,000, together with the unexpended balance of the appropriation for these purposes contained in the first deficiency act, fiscal year 1929, which shall remain available until June 30, 1931.

The VICE PRESIDENT. The question is on agreeing to the substitute offered by the Senator from Washington for the committee amendment.

Mr. JONES obtained the floor.

Mr. NORRIS. Mr. President——

Mr. JONES. Does the Senator from Nebraska desire to speak to the amendment?

Mr. NORRIS. I do not want to take the Senator from Washington off his feet, but I take it that this motion is debatable, and I am entitled to recognition to speak on it.

Mr. JONES. I would like to have this amendment considered and voted on before any other discussion.

Mr. NORRIS. I will submit to the Senator's wishes in that respect.

Mr. JONES. That is very kind of the Senator.

I would like to ask the attention of Senators for just a moment. This, I think, is a very important matter. It may seem rather strange to Senators that the chairman of the committee, who has charge of the bill, should offer a substitute in place of a committee amendment. I know that is rather unusual, but I feel justified in doing so in this case, and I advised the committee that I expected to offer a substitute for the committee amendment.

Briefly, I just want to call attention to what is before us. Senators will remember that in the deficiency bill last year we had an item commonly referred to as the Enforcement Commission item, under which the President appointed an Enforcement Commission to devise ways and means for the enforcement of our laws, and I think, in order to refresh the memory of Senators, I will read the provisions:

For the purposes of a thorough inquiry into the problem of the enforcement of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, together with the enforcement of other laws, $250,000, or so much thereof as may be required, to be expended under authority and by direction of the President of the United States, who shall report the result of such investigation to the Congress together with his recommendations with respect thereto. Said sum to be available for the fiscal years 1929 and 1930 for each and every object of expenditure connected with such purposes notwithstanding the provisions of any other act.

I want to call attention to the proposition specially involved in the substitute which I have offered and in the committee amendment which has been read. Let me say that the issue of prohibition and prohibition enforcement is not, in my judgment, involved in the amendment of the committee nor in the substitute proposed by me. What is proposed by the committee substitute is to strike out every provision relating to the enforcement of any laws except the prohibition law; in other words, the amendment proposed by the committee restricts the activities of the commission to an investigation of prohibition and

prohibition laws and eliminates the provision in the existing law relating to other laws.

The amendment which I propose not only relates to the enforcement of prohibition laws, but also includes other laws. My substitute is exactly word for word the provision contained in the existing law by which the national commission was created and under which it has been acting during the last year. If the committee amendment is adopted all the work of the commission thus far with reference to laws other than prohibition laws will really go for naught. That work will stop. I think that is very unwise. I am very glad, of course, to have the prohibition laws and situation investigated and studied carefully and to get the report of the commission; but I think we ought to go further and allow the commission to carry out the work during the coming year, which it has been doing during the last year, and not really practically waste what it has done during this period.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Washington yield to the Senator from New York?

Mr. JONES. I yield.

Mr. WAGNER. I want to ask the Senator whether during the campaign of 1928 President Hoover, in discussing the question of investigating the abuses under the prohibition law, referred to the investigation of any other laws except the prohibition law and the abuses that occur under it?

Mr. JONES. I have not refreshed my recollection with reference to any matter of that kind, but I have here a quotation from the President's inaugural address, which is official and under which and pursuant to which we provided the appropriation as it is in the law.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Tennessee?

Mr. JONES. I yield.

Mr. McKELLAR. As I understand it, the committee amendment provides an appropriation of $50,000?

Mr. JONES. Yes; and in addition to that the unexpended balance, but exclusively for the investigation of prohibition.

Mr. McKELLAR. The Senator's amendment provides $250,000?

Mr. JONES. Yes.

Mr. McKELLAR. Can the Senator tell us how much money was spent out of the current year's appropriation for prohibition investigation? I think the statement was made by witnesses that only $7,000 had been actually spent for prohibition investigation. If that is so, it does seem to me it is not necessary to appropriate a very large sum for that purpose.

Mr. JONES. The commission, in answer to a letter of mine, stated that something like $7,000 had been expended directly in connection with prohibition, but in his testimony before the House committee the chairman of the commission stated that a substantial part also of the amount that the commission has expended has been in fact expended in connection with prohibition; that is, there are many office activities, general preparations, and so on, that would properly be chargeable to prohibition. But he does say in his letter that the actual and direct expenditures for investigation and study of prohibition thus far were $7,000. The $250,000 is the estimate by the commission, and in Mr. Wickersham's testimony before the House committee he said that they contemplated and have allotted $65,000 out of the $250,000 for expenditure for prohibition purposes, which he expects to complete that work.

Coming back in line with the question of the Senator from New York [Mr. WAGNER], as I said, I have not refreshed my mind with reference to the campaign. That does not especially interest me.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New York?

Mr. JONES. Of course, if it is to enable the Senator to show that he is right with reference to the campaign, I am willing to admit it.

Mr. WAGNER. Very well.

Mr. JONES. What I am resting upon is the official statement of the President of the United States in his inaugural address. That I think is more authoritative with Congress than any campaign utterance of anybody. In his inaugural address the President said:

> I propose to appoint a national commission for a searching investigation of the whole structure of our Federal system of jurisprudence, to include the method of enforcement of the eighteenth amendment and the causes of abuse under it. Its purpose will be to make such recommendations for reorganization of the administration of Federal laws and court procedure as may be found desirable. In the meantime it is essential that a large part of the enforcement activities be transferred from the Treasury Department to the Department of Justice as a beginning of more effective organization.

I think everybody will concede that it is the general feeling throughout the country that our laws of every character, so far as criminal actions are concerned, are not enforced as they should be. It was pursuant to that widespread sentiment throughout the country that the President made that statement in his inaugural address. In a statement to the Associated Press a few days after that he said:

> With a view to enlisting public understanding, public support, accurate determination of the facts, and constructive conclusions, I have proposed to establish a national commission to study and report upon the whole of our problems involved in criminal-law enforcement.

That shows very clearly what the President had in mind and what he called to the attention of the people of the country.

> That proposal has met with gratifying support, and I am sure it will have the cooperation of the bar associations and crime commissions in our various States in the widespread effort being made by them.

As I said, the amendment reported by the committee proposes to cut off all study and investigation of anything except prohibition and the prohibition laws.

The provision in the existing law was not adopted hurriedly. It was not adopted without study and consideration. Here are the facts in regard to it. In the first deficiency bill in the last Congress this provision was put in and I think that it was put in at the instance of the learned junior Senator from Virginia [Mr. GLASS]:

> For the purposes of a thorough inquiry into the problem of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, $250,000, or as much thereof as may be required, to be expended under authority and by direction of the President of the United States, who shall make prompt report of the result of such investigation to the Congress, together with his recommendations with respect thereto, said sum to be available until June 30, 1930.

That provision referred only to prohibition and the prohibition law. That was the intention evidently of the Senator from Virginia. But that is not the form in which it was enacted into law. In the second deficiency bill was this provision:

> For such inquiry into the problem of enforcement of law—

Of law—

> including national prohibition, as the President may direct, fiscal years 1929 and 1930, $250,000. This sum shall be subject to the authority and direction of the President of the United States and shall be available for each and every object of expenditure connected with such purposes, notwithstanding the provisions of any other act.

But that particular provision was not enacted into law. The provision I first read was amended and incorporated in the first deficiency bill and became the law, and that reads as follows, as I read it just a moment ago:

> For the purposes of a thorough inquiry into the problem of the enforcement of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, together with the enforcement of other laws, $250,000.

That finally became the law, and that is the provision under which the commission are now acting.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from California?

Mr. JONES. I yield.

Mr. SHORTRIDGE. How much of that appropriation has been expended?

Mr. JONES. It is estimated that there will be from $75,000 to $80,000 unexpended on the 1st of July.

Mr. SHORTRIDGE. That is to be made available?

Mr. JONES. Yes; to be made available under the proposal of the Senator from Virginia as well as under the substitute I am offering. The Senator from Virginia, however, confines it to prohibition laws, while I make it available for the general purposes of the investigation.

Mr. SHORTRIDGE. The commission have been carrying on investigations in respect to the enforcement or nonenforcement of other than prohibition laws.

Mr. JONES. The prohibition laws and other laws.

Mr. SHORTRIDGE. They desire to carry on those investigations?

Mr. JONES. They do.

Mr. SHORTRIDGE. The Senator's proposal is to appropriate what amount?

Mr. JONES. I propose to appropriate $250,000. That is the amount of the estimate.

I am not going to discuss the matter at any great length, as I think what I have already presented really discloses the matter squarely to the Senate; but let me briefly call attention to the fact that the question is whether or not we are going to stop the investigation which has been under way for a year by confining the commission solely to prohibition and prohibition laws or whether we are going to allow the commission not only to study the enforcement of prohibition, but also to study the enforcement of other criminal laws, which is the idea expressed by the President in his inaugural address and in his message to the Congress.

The commission estimates $250,000 additional for the coming year, making in all about $330,000 which would be available, as they estimate there will be $75,000 to $80,000 unexpended on the 1st of July. Here is the way they have allotted it. This is a statement by Chairman Wickersham before the House committee. First is his estimate of the expenses of the commission which they may have to incur during the year. Then the actual work of the commission is stated in this way:

> Then, for the work of prohibition the estimate is $65,000. For the cost of crime the estimate is $20,000; for the causes of crime, the economic factors, $6,000; for police, the cost is estimated at $5,000; for criminal justice and the foreign born, the estimated cost is $15,000.
>
> For prosecution—

That is, for investigation of the methods of prosecution—

> the estimated cost is $11,000; for statistics, the estimated cost is $6,000; for lawlessness of Government officials, the estimated cost is $20,000; for courts—

That is, the study and investigation of the practices and procedure of courts—

> for courts, the estimated cost is $50,000; and for probation, prison, and parole, the estimated cost is $10,000; making an aggregate—

With the amount that it is estimated will be on hand the 1st of July—

> of $330,000.

Mr. President, the question that confronts the Senate, to my notion, is simply this: Shall we stop the work of the commission and waste the money that has been expended except in connection with prohibition and prohibition enforcement? Shall we limit the work of the commission during the next fiscal year solely to prohibition and the enforcement of the prohibition law? That is the question that confronts us.

If we desire to limit the work of the commission, to restrict it solely to prohibition and prohibition enforcement, then the Senate will vote for the committee amendment appropriating $50,000. If the Senate, however, wants the commission to continue the work in which it has been engaged, and is now engaged, then it will vote to appropriate the $250,000.

The President, I am sure, from his expressions in his inaugural address and from his attitude, is very earnestly in favor of the work of the commission in its broad sense. I am satisfied that the people of the country are anxious to have the commission continue its study and investigation into all phases of law enforcement, and not alone as to prohibition and its enforcement. As indicating the attitude of the mind of the common people, a few days ago a citizen asked me, "Are you going to extend the life of this commission for another year? Are you going to give it the money with which to investigate all phases of the criminal laws of the country and criminal procedure? Are you going to carry out the idea of the President, or is the Senate of the United States, possibly because of some animus against the President, going to try again to thwart what he earnestly seeks to do?"

The Senate may do that; but, in my judgment, if it does its action will not meet with the approval of the people of the country. In my opinion, they believe in the honesty, in the sincerity, and in the integrity of the President, and with his desire to solve the problems connected with criminal law enforcement the people of the country are impressed.

In my judgment, they will not approve the action of the Senate in voting to deprive the commission of the means to carry on the inquiry which it has been conducting during the last year. Mr. President, that is the reason why I ask the Senate to vote to appropriate $250,000.

It may be claimed that this commission is too expensive. I am not prepared to express an opinion with reference to that; but, I will frankly say that almost all the commissions we have are rather expensive. Possibly they do things in a little bit more extravagant way than we would have them do. Grant that; but, is the Senate of the United States, by reason of the fact that it believes that this commission has not accomplished all that it should have accomplished with the money it has spent, going to say, "You have got to stop the work you have been doing, throw away what you have accomplished, and confine your activities solely and only to prohibition and prohibition enforcement"?

Mr. GLASS addressed the Senate. After having spoken for a few minutes, he was interrupted by—

Mr. BROUSSARD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Virginia yield for that purpose?

Mr. GLASS. I yield, although I am getting along very well.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fess	La Follette	Sheppard
Ashurst	George	McCulloch	Shipstead
Barkley	Gillett	McKellar	Shortridge
Bingham	Glass	McMaster	Steck
Black	Glenn	McNary	Steiwer
Blaine	Goldsborough	Metcalf	Stephens
Borah	Hale	Moses	Sullivan
Brock	Harris	Norris	Swanson
Broussard	Harrison	Oddie	Thomas, Idaho
Capper	Hastings	Overman	Thomas, Okla.
Caraway	Hatfield	Patterson	Trammell
Connally	Hayden	Phipps	Tydings
Copeland	Hebert	Pine	Vandenberg
Couzens	Howell	Pittman	Wagner
Cutting	Johnson	Ransdell	Walsh, Mass.
Dale	Jones	Reed	Walsh, Mont.
Deneen	Kean	Robinson, Ind.	Watson
Dill	Kendrick	Robsion, Ky.	

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present.

Mr. GLASS resumed and concluded his speech, which is as follows:

Mr. President, the senior Senator from Washington, the chairman of the Committee on Appropriations, standing alone in his committee, has made a very plausible and ingenious plea to the Senate; but I think it may be very clearly shown, in a very short time, how completely this so-called Wickersham commission has diverted the fund of $250,000, appropriated 18 months ago by the Congress, from its real, obvious purpose.

Mr. President, in the last national campaign the outstanding question was law enforcement. That was recognized by the whole country. It was emphasized by the fact that the Republican National Convention at Kansas City adopted a law-enforcement plank in its platform. What did it say? It confined itself absolutely to the question of prohibition enforcement. That was its exclusive declaration on the subject of law enforcement:

> The people, through the method provided by the Constitution, have written the eighteenth amendment into the Constitution. The Republican Party pledges itself and its nominees to the observance and vigorous enforcement of this provision of the Constitution.

There was no other word written into the Republican Party platform on the subject of law enforcement.

In turn, when the Democratic Party met in national convention at Houston, it made a platform declaration of a like kind. It specifically mentioned enforcement of the eighteenth amendment, as the Republican convention had done a few weeks previously at Kansas City. After reproaching the Republican Party for its failure to enforce the prohibition laws, it said:

> Speaking for the National Democracy this convention pledges the party and its nominees to an honest effort to enforce the eighteenth amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto.

True, at Houston there was an attempt somewhat to minimize the significance of the platform declaration with respect to the eighteenth amendment by including the incidental reference to the enforcement of "all provisions of the Constitution"; but nobody was misled by that. It was merely a renewal of the threat to enforce the provisions of the fourteenth and fifteenth amendments relating to suffrage in the South unless the southern people should renounce their advocacy of prohibition, and was suggested in expectation that it might frighten some of us from our position.

(At this point Mr. GLASS yielded to Mr. BROUSSARD, who suggested the absence of a quorum, and the roll was called.)

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Washington?

Mr. GLASS. I yield.

Mr. JONES. My attention was attracted by the last statement made by the Senator from Virginia. I want to say to him it never entered my mind and I have no recollection of ever hearing it suggested that the words "and other laws," were put in with reference to conditions in the South or the fourteenth

and fifteenth amendments. I myself would certainly approve nothing of that kind.

Mr. GLASS. The Senator from Washington has misapprehended what I said. I stated that the Republican national platform confined itself exclusively to the question of enforcing laws enacted in pursuance of the eighteenth amendment, literally mentioning only the eighteenth amendment. I said the National Democratic Convention did practically the same thing, except that incidental reference was made to other provisions of the Constitution; and it was very well understood that that was just to frighten those southern delegates who had been threatened with an investigation of the laws enacted in pursuance of the fourteenth and fifteenth amendments.

Mr. JONES. Mr. President, I beg the Senator's pardon for not giving closer attention than I did to what he was saying. My attention was attracted to some proposed amendments, so I did not catch that phase of it.

Mr. GLASS. Mr. President, I think there is no intelligent school child in the United States who does not recall that the exclusive discussion of the question of law enforcement preceding and during the presidential campaign of 1928 related to the enforcement of the laws enacted under the eighteenth amendment to the Federal Constitution.

Mr. Hoover, then the nominee of the Republican Party, perfectly understood that these platform declarations related solely to the eighteenth amendment and the laws enacted in pursuance thereof. Hence, in his letter of acceptance he said:

> I do not favor the repeal of the eighteenth amendment. I stand for the efficient enforcement of the laws enacted thereunder. * * * Common sense compels us to realize that grave abuses have occurred—abuses which must be remedied. An organized searching investigation of facts and causes can alone determine the wise method of correcting them. Crime and disobedience of law can not be permitted to break down the Constitution and laws of the United States.

Thus it will be plainly noted that the only question of law enforcement before the country was enforcement of the eighteenth amendment and the statutes enacted in accordance with it. The two political parties recognized this fact and the now President of the United States, as I have indicated, literally understood the issue.

The question then, in its last analysis, is what Congress subsequently understood and what was the intent of Congress in writing into the first deficiency bill, in February, 1929, that provision, prepared by me and moved on the floor of the Senate, appropriating $250,000 for the "organized searching investigation of facts and causes" referred to by Mr. Hoover as the nominee of the Republican Party for the presidency.

The distinguished Senator from Washington has quoted from the President's inaugural address as indicative of what was intended by this appropriation originally. I call the Senator's attention to the fact that the appropriation was made before the President was inaugurated and before he delivered any inaugural address.

The sentence quoted from the inaugural address of the President was the first note of evasion, eventuating later in complete retreat, and, as I shall show, in utter diversion of nearly the whole of the $250,000 appropriated by Congress.

Mr. President, I was the author of the provision of the deficiency appropriation bill relating to this subject. I drew it and presented it. It is certain that I have some knowledge of its intent. By reference to the CONGRESSIONAL RECORD of January 18, 1929, page 1911, it will be found that I made this statement:

> So far as my observation goes, the Appropriations Committee of this body has never failed to report to the fullest extent appropriations recommended by the department for the *enforcement of prohibition;* and I am certain that I have never failed to vote to the fullest extent for appropriations recommended.

Therefore I voted for the appropriation of $25,000,000 proposed by the Senator from Georgia [Mr. HARRIS], but with the reservation that should the Secretary of the Treasury find that he could not use the $25,000,000 the amount should be reduced.

The amount, as I apprehended, was cut out of the bill altogether, as the Senator from Washington knows; and it was because of that fact that I offered this provision to appropriate $250,000 for the sole purpose of instituting a searching investigation of the problem of enforcing prohibition. The whole discussion in the Senate related itself exclusively to the question of enforcing the prohibition laws. Not one word was uttered on any other subject. No Senator suggested any other topic. Not one of the other things to which this Wickersham commission has given attention and on which it has wasted large sums of money received any mention whatsoever.

When the deficiency bill was sent to conference the conferees on the part of the House insisted upon striking out the whole appropriation. The Senator from Washington will recall that.

Mr. JONES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Washington?

Mr. GLASS. I do.

Mr. JONES. I do not know that fact, because I was not on that conference.

Mr. GLASS. I had forgotten that. The late Senator Warren was then the ranking Senate conferee. The House conferees insisted upon striking out the entire appropriation of $250,000 for a searching inquiry into the problem of enforcing the prohibition laws.

Mr. BLAINE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Wisconsin?

Mr. GLASS. I yield.

Mr. BLAINE. It is argued with a great deal of force and the presentation of a great many facts that there are many crimes due to prohibition. I understand, according to the amendment offered by the Senator from Virginia, that the investigation of such crimes would be precluded if his amendment is adopted; that the commission would not have authority to investigate them.

Mr. GLASS. The whole question was the enforcement of the prohibition laws, whether or not they were being enforced or could be enforced. If they could not be, Congress was to be told why they could not be, and the President of the United States was to suggest such modifications of the laws as would bring about efficient enforcement.

Mr. BLAINE. But if the Senator will yield for another question, for instance, the gun wars are alleged to be due to prohibition. If the Senator's amendment is adopted, the commission would have no power to investigate that type of offense.

Mr. GLASS. The Senator can conjecture as to that. If he will just permit me to go on with the history of the matter, it will very clearly be shown what was the intent of Congress; and, after all, that is what we want to reach.

Mr. TYDINGS. Mr. President, will the Senator yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Maryland?

Mr. GLASS. I do.

Mr. TYDINGS. A great many of us here are with the Senator in his general premise; but we feel that there are certain crimes connected with the prohibition-enforcement situation which the Senator does not want to leave out, but which, perhaps, might be left out. I am wondering if these words would meet with the objection of the Senator——

Mr. GLASS. Mr. President, if the Senator will pardon me, I should like to give the history of this transaction consecutively without these interruptions.

Mr. TYDINGS. I beg the Senator's pardon. Before he finishes, will he give us an opportunity to ask him about the matter?

Mr. GLASS. I shall be glad to do that.

Mr. President, as I have indicated, the House conferees were so persistent in their opposition to appropriating one dollar for this purpose as that they left the conference room and arbitrarily declined to resume the conference on the deficiency bill. They resorted to the unprecedented expedient of attempting to enforce their own will by taking the first deficiency bill of that session of Congress back to the House and attaching it as a provision of the second deficiency appropriation bill, with such matters as the House conferees objected to eliminated, and sent the bill in that form back to this body. Meanwhile the House had ventured so to readjust the provision that I had offered in the Senate as to make the enforcement of prohibition a secondary, even a parenthetical, matter. In short, it so altered the amendment as to make law enforcement generally the primary purpose of the provision, and, as the Senator from Washington has read, parenthetically "including prohibition." In that form the bill came back to the Senate for action.

The Senate was so indignant that the House conferees should undertake in this oblique way to accomplish their purpose that, on the motion of the senior Senator from Arkansas [Mr. ROBINSON], that entire article of the then pending second deficiency bill was stricken out, and the House conferees were compelled to ask for a further conference with the Senate on the first deficiency appropriation bill.

When that conference was called there was still on the part of the House conferees the intensest opposition to this appropriation. They tried in every conceivable way to delete its provisions and to minimize its significance. They first attempted to make enforcement of "other laws" the primary purpose of the appropriation. Failing at that, they sought to make general law enforcement conjunctive with the enforcement of prohibition, which was the sole purpose of the provision as adopted

by the Senate. They wanted to say, "prohibition and other laws." To this Senate conferees objected, because it would have put "other laws" on the same level of importance as the prohibition law, which was not the purpose of the provision.

Finally, the suggestion that had been made at Houston in order to frighten southern Senators into the belief that there might be some movement to enforce the fourteenth and fifteenth amendments to the Federal Constitution, relating to suffrage, was insinuated into the discussion by one of the conferees. It was instantly sensed by me as a repetition of the threat vainly made at the Democratic National Convention. It appeared to have been made for the obvious purpose of having me abandon entirely the provision of the bill which I had drafted to bring about "a searching inquiry into the problem of enforcing the prohibition laws." I permitted myself then to be prodded into this parenthetical addition to the provision, "together with other laws." I did it because I wanted the House Member to understand that no southern Senator of intelligence or self-respect dreaded any inquiry into the enforcement of the fourteenth and fifteenth amendments. I did not do it for the purpose, as seems to have been apprehended by the Wickersham commission, of practically nullifying the primary object of this appropriation.

There was not the remotest thought that a commission not yet established would seize on this parenthetical phrase to disregard the real purpose of Congress.

Mr. President, the White House did not even know that there had been an appropriation to defray the expenses of this Wickersham Commission, and gave out to the Associated Press a statement that the President would have to ask Congress for an appropriation, although $250,000 had weeks theretofore been appropriated, and appropriated for the purpose of a searching investigation into the problem of enforcing the prohibition laws.

As pointed out by me in the Senate more than 11 months ago, the President, through his commission, started out with apparent purpose to side-step the inquiry into the problem of enforcing the prohibition laws, as literally promised by both political parties, as promised by the President himself in his letter accepting the Republican nomination and as required by the provision of the deficiency bill appropriating $250,000 for the purpose. One only has to examine the text of the speech made by the President at the White House to this alleged enforcement commission to discover that a start was made by absolutely ignoring the question of prohibition. The word "prohibition" was not mentioned in the President's address to his commission, nor was it mentioned in the response of Mr. Wickersham, chairman of the commission. None but a very simple person would conjecture that this was a singular coincidence. It plainly was not a coincidence. It was stage play. It was done by concert. It evidently was the intention of the President and of his commission at the very beginning to put aside as far as possible any investigation into the problem of enforcing prohibition.

The President himself, in a public address before the Associated Press in New York soon thereafter, stated that the question of enforcing prohibition was a mere "segment" of the problem of law enforcement. That did not alter the fact that the Congress thought it was *the* problem.

Mr. Wickersham, chairman of the commission, in a public address up in Connecticut actually affected astonishment that people should imagine that his commission was charged with the duty of a searching investigation of the prohibition problem. Said he:

> Most people seem to believe that the commission will devote itself almost entirely to a consideration of prohibition. It is characteristic of the overemphasis on this question that the people should think so. *The prohibition adherents have gone too far. They have become so obsessed with the one idea of enforcing the prohibition law that they have exaggerated its importance in their own minds out of all proportion to actual significance.*

That indicated what Mr. Wickersham thought his commission should do. However it in no wise or degree indicated what the Congress thought the commission should do, and what this appropriation of $250,000 was made for.

A little later Mr. Wickersham, in a letter to the Governor of New York, indicated that he believed the Federal Government should rid itself of the larger responsibility for enforcing the prohibition laws by relegating the matter again to the States. But the Anti-Saloon League so quickly frightened him out of his wits that he instantly back-stepped from that attitude.

Mr. President, I think it is perfectly clear to Senators for what purpose that $250,000 was appropriated. It was to make a searching inquiry into the problem of "enforcing prohibition under the eighteenth amendment and the laws enacted in pursuance thereof."

What has been done with the $250,000? It has been diverted. It has been wasted. Congress has been treated contemptuously with respect to the whole transaction; and, according to the official report of Mr. Wickersham to the chairman of the Committee on Appropriations, this commission has expended the munificent sum of $8,025.69 in pursuit of the purpose for which the commission was set up. It has expended this trifling sum to make "a searching inquiry into the problem of enforcing the prohibition laws" and wasted the balance by inquiring into matters over which Congress has no jurisdiction and for which it appropriated no dollar of the $250,000.

For one I felt that the President of the United States meant what he said when he proclaimed, during the last national campaign, that prohibition was "a noble experiment," and when he added that abuses had grown up under the law, and that it was his purpose to inquire into those abuses, and correct them, I really thought he meant that. It was for that reason that I drafted this provision of the deficiency bill proposing to give him a sufficient sum of money to institute that inquiry, and to tell Congress how to correct the abuses to which he made reference. Of the $250,000 thus appropriated, the commission has spent $8,025.69 on "the noble experiment"!

It spent more money—$10,908.27—in railroad and Pullman fares than it devoted to the purpose of investigating prohibition.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. WATSON. I am much interested in the Senator's statement. How much have they expended, in the aggregate, of the original appropriation?

Mr. GLASS. They have $88,000 left.

Mr. WATSON. What did they do with the other part of the appropriation?

Mr. GLASS. I am going to tell the Senator in a few minutes.

Mr. WATSON. The Senator says that they spent $8,000 only in the investigation of prohibition enforcement.

Mr. GLASS. That is all. Here is their report, printed in the RECORD. They spent $22,333.37 for supplies and equipment. They spent almost three times as much for furniture as they applied to the investigation of prohibition, and the abuses under prohibition.

Mr. JONES. Mr. President, will the Senator yield for a question?

Mr. GLASS. Yes; I yield.

Mr. JONES. I think part of those expenditures, of course, should be charged up to prohibition, because the things for which the money was spent were available for the activities of the commission.

Mr. GLASS. The Senator may be able to indicate to the Senate what part of the furniture was devoted to juvenile delinquency. And let me inquire what Congress has to do with juvenile delinquency, no matter what this commission may find out about it. That is exclusively a matter for the police jurisdiction of the respective States. What has Congress to do with it, no matter what the commission may find out about it?

Mr. WATSON. Mr. President, I want to ask the Senator another question. I am much interested in his remarks.

Mr. GLASS. I yield.

Mr. WATSON. Did they actually segregate and set aside one item of $8,000 to investigate the enforcement of prohibition?

Mr. GLASS. That is what they spent. The report here says:

> Prohibition, $8,025.69.

Mr. GEORGE. Can the Senator throw any light on the item of 69 cents included in that account?

Mr. WATSON. Mr. President, I want to ask this, whether or not the investigation by the commission of the general subject of crime and criminality in the United States could include prohibition, or was that intended to be included, or was a separate fund set aside for the exclusive investigation of prohibition to the exclusion of everything else?

Mr. GLASS. The plain purpose of Congress, in my view of the matter, was to spend the $250,000 to inquire into the problem of enforcing prohibition and to tell Congress how it should be done. The Senator, perhaps, was not here when I recited consecutively the history of this particular provision of the law.

Mr. President, this commission is engaged in the monumental task of considering the problem of a reorganization of the judiciary system of the United States and of all the States. It has been said that 90 per cent of the violations of the prohibition laws come within the jurisdiction of the State courts. What, regardless of anything ascertained by this Wickersham commission, has the Federal Government to do with the administration of justice in the State courts? Such inquiry is

sheer duplication anyhow. It is futile, because Congress has no power over State courts.

There have been committees of the American Bar Association over and over again appointed to consider the question of a readjustment of the judiciary systems of the States and the Nation, and nothing has ever come of it.

I have called the attention of the Senate, and did so during the debate over this provision of the law, to the fact that there has been before the Senate for a period of six years a suggestion by the late Chief Justice Taft for a modification of the rules of procedure before the Federal courts, in order to expedite the business of those courts, and we have never been able to get action on that here in the Senate. Yet here is a commission, sitting in Washington, appointed to investigate the problem of enforcing prohibition, busying itself with the impossible, the almost inconceivable, task of reorganizing the entire judiciary systems of the United States and of the respective States. I say of the respective States advisedly, because it over and over again has been asserted that 90 per cent of the cases under the prohibition statutes come within the jurisdiction of the State courts.

This commission has spent more for subsistence of its members—$18,868.78—twice as much for the subsistence of its members as it has applied to the task of investigating prohibition. For subsistence at hotels, $15,253.78; for subsistence on trains, $893.62; for railroad fare, $10,017.65; and $8,000 for "a searching inquiry into the problem of enforcing the prohibition laws."

I sometimes suspect that there are those in authority who are not so much concerned with "a searching inquiry into the enforcement of the prohibition laws" as they are concerned about not assuming any responsibility whatsoever for suggesting to the Congress of the United States what modification, if any, might be required in existing laws in order to get us effective prohibition. They are intent on evasion. They are sidestepping.

I note an expenditure here in this report that would seem to be unlawful. I do not assert that it is, because, not being a lawyer, I do not know; but I note here that the commission paid $560.63 for some sort of service to Amos W. W. Woodcock, United States district attorney in Maryland, and recently appointed Director of Prohibition. I do not want to be misunderstood. My own impression from reading the newspapers is that Mr. Woodcock is a fine man in every way, an able lawyer, loyal to his Government, and courageous in the pursuit of his duty. But I have understood that it is contrary to the United States statutes, page 32, sections 70 and 71, for any United States district attorney to receive any other compensation than his salary from the Treasury of the United States; so that would seem to be an actual violation of the law by a commission charged with the duty of devising ways to enforce law. The items are here detailed and any Senator may satisfy his own interest and curiosity by an inspection of the statement.

In the last analysis the Congress of the United States plainly appropriated $250,000 for the avowed purpose of attempting to cure this national evil in some way, to ascertain the facts, the reasons why the law is not being enforced, if it be true that it is not being enforced. If it is being as effectively enforced as any other law, it would be a simple matter for the commission so to report, and the President in turn, as required by law, to report to the Congress of the United States. If it is not being enforced, if it is being, as is frequently charged, wickedly and flagrantly violated from one end of the country to the other in almost every community, then it is the business of this commission to ascertain those facts and report accordingly to the President of the United States, and the obligation of the President of the United States, under the appropriation provision of the deficiency bill, to recommend to Congress such modifications of the statutes as may be made within the limitations of the eighteenth amendment for the better enforcement of the law.

The commission has $88,000 left unexpended. With the $50,000 which the Committee on Appropriations, with one dissenting voice, recommends shall be given to the commission, it would have $138,000 at its disposal, with Congress meeting in December, not far away, to supply any rational deficiency that may ensue. The commission would have $138,000 for the primary purpose of the law of Congress, which the commission up to this time has totally disregarded.

The commission has made a mere parenthetical phrase, inserted in the law as I have here cited, the very base of its inquiry. It has disregarded the real purpose of the appropriation. Notwithstanding such flagrant diversion of a public fund the Committee on Appropriations has been liberal enough to propose to continue the unexpended balance of $88,000 and to give the commission, in addition, $50,000 for the purpose of finding out what is the matter with the prohibition laws. That is the question which the people of the country want settled in a satisfactory fashion. That was the duty imposed upon this commission.

The proposed substitute of the Senator from Washington would give the commission $338,000 to be wasted, I imagine, just as the other has been wasted. As may readily be seen, many of the things the commission has considered are beyond the jurisdiction of the Federal Legislature, no matter what the commission may find out concerning them. What have we to do with the police powers of the respective States? What have we to do with penal institutions of the respective States upon which this commission has expended large sums of money in investigating? Other items of expenditure have been literally wasted because, regardless of what may be ascertained concerning them, they are beyond the reach of Federal legislation.

Mr. President, my sole motive in offering the provision in the deficiency bill appropriating $250,000 was to take prohibition out of the turbulence of political strife and commit it to the determination of a detached scientific investigation by men of prescience and courage, who would not hesitate to find the facts and submit them to the President of the United States. My belief at that time was that the President, then just elected, would have the courage to submit his suggestions in turn to the Congress and thereby put the responsibility upon this body for either continuing the present situation or remedying it in some wise.

Had the commission done what it was charged with doing there would have been, for the time at least, a cessation of agitation. There would have been no necessity nor even plausible plea for fretful congressional investigations such as we had uselessly for weeks on the other side of the Capitol.

Had the commission taken its obligation seriously we would now have a different situation. But these gentlemen have investigated juvenile delinquents, thefts of automobiles, embezzlements of various kinds, and a multitude of other offenses already dealt with effectively by criminal statutes.

Had the commission taken its obligation seriously and not treated the Congress contemptuously; had it not diverted nearly the whole fund from its real purposes, we might be well on the road to a solution of the difficult prohibition problem.

That is all I want. I am a sane prohibitionist, in theory and in practice. I have always voted to exterminate the liquor traffic, if it may be done. I have always voted for every dollar of appropriation recommended by the Government itself in pursuit of that purpose. But I am not willing to waste $250,000 more, plus the $88,000 now on hand. The Subcommittee on Appropriations was not willing to do it. The Committee on Appropriations was not willing to do it. The chairman alone is being persistent in his view that it should be done. For him I have the very utmost respect and, I might say, affection. He is no better prohibitionist than I am, not a bit. The difference seems to be that I am not a zealot. In his excess zeal the chairman seems willing to commit to this miserable commission, which has so far utterly neglected its plain duty, $338,000 from the Federal Treasury. Against this indefensible waste of public funds I protest. It is not an appropriation to tell Congress how to enforce the prohibition laws. It is a discreditable and an expensive maneuver to keep from telling either Congress or the country how to settle a vexed problem.

Mr. JONES. Mr. President, there are two or three Senators who have expressed a desire to speak with reference to this matter, who have also suggested that inasmuch as we met at 11 o'clock this morning, we ought now to suspend for the day. I am willing to go ahead, but I appreciate the situation. If there is no objection, I should like to ask that the amendment now pending may be temporarily laid aside and that some routine amendments, to which I think there will be no objection, may be considered and adopted.

Mr. GLASS. Mr. President, I may say to the Senator from Washington that he knows very well that I did not feel prepared to go on to-day. I felt utterly exhausted, and so represented to the chairman of the committee. I much preferred to go on to-morrow after I might have had some rest. I only went ahead to-day upon his assurance that the matter was going to be determined this evening. I think it ought to be.

Mr. JONES. I will say to the Senator that I do not remember that he told me he was exhausted or anything like that. I certainly did not so understand him.

Mr. GLASS. Perhaps I did not use the exact term, but I told the Senator I was worn out; that from observation I was willing to conjecture that other Senators were worn out; and that I would like to wait until to-morrow before I discussed the matter.

Mr. JONES. I do not think the Senator put it that strong to me. I certainly did not understand that.

Mr. GLASS. Of course I will not put my recollection against that of the Senator.

Mr. JONES. I am satisfied the Senator thought that, anyway.

Mr. GLASS. I was certainly told by the Senator that he intended to seek to pass this bill this afternoon, and for that reason only I proceeded with the discussion.

Mr. JONES. I did tell the Senator that I hoped to pass the bill to-day, and I myself should like to see that done.

Mr. BROUSSARD. Then, why not pass it?

Mr. JONES. I should be glad to have the bill passed, but there are several Senators who want to speak.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent temporarily to lay aside the pending amendment and proceed to the consideration of routine amendments. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. JONES. Mr. President, on behalf of the committee I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 40, after line 23, it is proposed to insert the following:

Payment of claims of the Sisseton and Wahpeton Bands of Sioux Indians: For payment of claims of the Sisseton and Wahpeton Bands of Sioux Indians as authorized by, and in accordance with, the terms and conditions of the act of June 21, 1930, fiscal year 1931, $300,000.

Mr. JONES. The amendment is in accordance with the budget estimate and is to carry out existing law.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. JONES. I offer a further amendment on behalf of the committee.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 63, after line 5, it is proposed to insert the following:

Contingent expenses, United States consulates: The appropriations for contingent expenses, foreign missions, and contingent expenses, United States consulates, contained in the act making appropriations for the Department of State for the fiscal year 1931, approved April 18, 1930, shall be available also for expenditure for the purposes of and in conformity with the act entitled "An act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries," approved June 26, 1930.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Washington.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. The Senator from Washington has the floor. Does he yield to the Senator from Nebraska?

Mr. NORRIS. Mr. President, the Senator from Washington can not retain the floor and insist on a vote on a debatable motion.

The PRESIDENT pro tempore. That is quite true, but the Senator from Washington can retain the floor and speak.

Mr. NORRIS. Very well; I will wait until he concludes; but the Chair was about to put the question, and let the Senator from Washington hold the floor, which would prevent any other Senator from saying anything.

The PRESIDENT pro tempore. No; not at all.

Mr. JONES. I do not desire to hold the floor. The Senator from Nebraska has a perfect right to speak on any amendment.

Mr. NORRIS. That is what I thought.

The PRESIDENT pro tempore. The Senator from Washington yields the floor, and the Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, I was wondering if we could not reach an understanding at this time about the time of meeting to-morrow. I objected yesterday to meeting at 11 o'clock, but after I left the Chamber it was agreed by unanimous consent to meet at 11 o'clock to-day.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I will yield in just a moment. As I understand, the Senator from Washington does not intend to proceed with the pending contested amendment to-day. Some of us who have been here all day would like to leave the Chamber now, if we may have an understanding that the Senate will not meet at 11 o'clock to-morrow and that this amendment will not be disposed of to-night.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield the floor.

The PRESIDENT pro tempore. The Senator from Oregon is recognized.

Mr. McNARY. An agreement has already been entered into not to consider the amendment discussed by the Senator from Virginia until to-morrow. I had intended in a few moments to move that the Senate proceed to the consideratiton of executive business, after which I shall move that the Senate adjourn until 12 o'clock to-morrow.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Washington [Mr. JONES].

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I offer an amendment to the pending bill and ask that it may be considered.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

For carrying out the provisions of the act entitled "An act authorizing an appropriation for the purchase of the Vollbehr collection of incunabula," to remain available during the fiscal year 1931, $1,500,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Connecticut.

Mr. JONES. Mr. President, I have several amendments I wanted to offer, but I thought the bill had been laid aside.

The PRESIDENT pro tempore. The amendment offered by the Senator from Connecticut is one to carry out the provisions of a bill already passed by the Senate.

Mr. JONES. There is no question about the amendment, but I understood the bill had been laid aside. I have four or five other amendments which I desire to offer.

The PRESIDENT pro tempore. The Chair understood that the amendment discussed by the Senator from Virginia had been laid aside.

Mr. JONES. I also understood that the bill had been laid aside.

The PRESIDENT pro tempore. That is not the understanding of the Chair.

Mr. JONES. Of course I have no objection to the amendment offered by the Senator from Connecticut, but there were four or five other amendments that I wished to offer, and I would have done so but for what I thought was the understanding that the bill had been laid aside.

Mr. GLASS. I understood that the bill was laid aside.

Mr. JONES. I so understood. I ask that the amendment offered by the Senator from Connecticut lie on the table. There will be no trouble about it to-morrow.

The PRESIDENT pro tempore. Objection being made, the amendment will lie on the table.

Mr. KEAN submitted an amendment in the item for the Bloomfield, N. J., post office, proposing to strike out lines 2 and 3, and to insert in lieu thereof "For acquisition of site and construction of a building under an estimated cost of $410,000," intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was ordered to lie on the table, and to be printed.

Mr. ODDIE submitted an amendment in the item for the Las Vegas, Nev., post office, on page 95, line 25, to increase the estimated total cost from $200,000 to $300,000, intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed.

Mr. WAGNER submitted an amendment intended to be proposed by him to House bill 12902, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed:

On page 102, after line 20, to insert:

"New York (N. Y.) post office and other Government offices, and United States court house: In lieu of the alternate provisions contained in the act approved March 4, 1929, for the acquisition of a site to accommodate either the post office, Federal courts, etc., or a site for a building to accommodate the Federal courts, the Secretary of the Treasury is hereby authorized, after the receipt by him of an acceptable offer by the city of New York for the purchase of the court house and post-office property at Park Row and Broadway, to acquire by purchase, condemnation, or otherwise, the block bounded by Barclay, Vesey, and Church Streets and West Broadway, for a site for a building for post office and other Government offices, at a total estimated limit of cost for said site of not to exceed $5,000,000, and a site for a building for the accommodation of the Federal courts at a total estimated limit of

cost for said site of not to exceed $2,450,000, and to procure by contract preliminary sketches of said court-house building developed sufficiently for use as a basis for estimates; the cost of said sketches to be paid from appropriations available for the purpose."

ORDER OF BUSINESS TO-MORROW

Mr. McNARY obtained the floor.

Mr. FESS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Ohio?

Mr. McNARY. I yield.

Mr. FESS. On yesterday while I was absent from the Chamber there was a very important bill reached on the calendar and passed over. If it could be considered to-morrow, I would be very glad not to call it up now.

Mr. McNARY. I shall ask unanimous consent in the morning at the conclusion of the routine morning business that the Senate proceed to the consideration of unobjected bills on the calendar under Rule VIII.

Mr. FESS. Beginning with the first one.

Mr. McNARY. Yes.

Mr. McKELLAR. Mr. President, the Senator said that unobjected bills would be considered. I think the bill referred to by the Senator from Ohio was objected to; it is a very important measure.

Mr. FESS. I think the objection will be withdrawn.

Mr. McKELLAR. Very well.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2156) authorizing the sale of all of the interest and rights of the United States of America in the Columbia arsenal property, situated in the ninth civil district of Maury County, Tenn., and providing that the net fund be deposited in the military post construction fund, and for the repeal of Public Law No. 542, H. R. 12479, Seventieth Congress.

The message also announced that the House insisted on its amendment to the bill (S. 941) to amend the act entitled "An act to regulate interstate transportation of black bass, and for other purposes," approved May 20, 1926, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NELSON of Maine, Mr. WOLVERTON of New Jersey, and Mr. MILLIGAN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 531) for the relief of John Maika, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. IRWIN, Mr. FITZGERALD, and Mr. Box were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Washington, Mr. JENKINS, and Mr. RUTHERFORD were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2222) for the relief of Laurin Gosney, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. IRWIN, Mr. FITZGERALD, and Mr. Box were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6227) for the relief of Elizabeth Lynn, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. IRWIN, Mr. FITZGERALD, and Mr. Box were appointed managers on the part of the House at the conference.

ENROLLED BILLS PRESENTED

Mr. GILLETT (for Mr. GREENE), from the Committee on Enrolled Bills, reported that on to-day that committee presented to the President of the United States the following enrolled bils:

S. 317. An act to authorize the Secretary of the Interior to grant certain oil and gas prospecting permits and leases;

S. 2323. An act authorizing the Director of the Census to collect and publish certain additional cotton statistics;

S. 3068. An act to amend section 355 of the Revised Statutes to permit the Attorney General to accept certificates of title in the purchase of land by the United States in certain cases;

S. 3422. An act to authorize the Tidewater Toll Properties (Inc.), its legal representatives and assigns, to construct, maintain, and operate a bridge across the Patuxent River, south of Burch, Calvert County, Md.;

S. 3623. An act for reimbursement of James R. Sheffield, formerly American ambassador to Mexico City;

S. 3845. An act to amend an act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended March 4, 1915, June 26, 1918, and June 7, 1924;

S. 4028. An act to amend the Federal farm loan act as amended;

S. 4243. An act to provide for the closing of certain streets and alleys in the Reno section of the District of Columbia;

S. 4287. An act to amend section 202 of Title II of the Federal farm loan act by providing for loans by Federal intermediate-credit banks to financing institutions on bills payable and by eliminating the requirement that loans, advances, or discounts shall have a minimum maturity of six months;

S. 4358. An act to authorize transfer of funds from the general revenues of the District of Columbia to the revenues of the water department of said District, and to provide for transfer of jurisdiction over certain property to the Director of Public Buildings and Public Parks; and

S. 4577. An act to extend the time for completing the construction of a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg.

COLONIAL NATIONAL MONUMENT, VIRGINIA

Mr. ODDIE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12235) entitled "An act to provide for the creation of the Colonial National Monument, in the State of Virginia," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 5, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the words "two thousand" in said engrossed amendment and insert in lieu thereof the words "two thousand five hundred"; and the Senate agree to the same.

TASKER L. ODDIE,
PORTER H. DALE,
T. J. WALSH,
Managers on the part of the Senate.

DON B. COLTON,
ADDISON T. SMITH,
JOHN M. EVANS,
Managers on the part of the House.

The report was agreed to.

ADDITION OF LANDS TO BOISE NATIONAL FOREST

Mr. CUTTING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4189) entitled "An act to add certain lands to the Boise National Forest," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same.

BRONSON CUTTING,
JOHN B. KENDRICK,
T. J. WALSH,
Managers on the part of the Senate.

DON B. COLTON,
ADDISON T. SMITH,
JOHN M. EVANS,
Managers on the part of the House.

The report was agreed to.

AMENDMENT OF RADIO ACT

Mr. COUZENS. Mr. President, from the Committee on Interstate Commerce, to which was referred the bill (H. R.

12599) to amend section 16 of the radio act of 1927, I report it back favorably without amendment and I submit a report (No. 1105) thereon. I report the bill at this time so it may be taken up before final adjournment.

The PRESIDENT pro tempore. Without objection, the report will be received and the bill will be placed on the calendar.

THE RIVERS AND HARBORS BILL—STATEMENT BY REPRESENTATIVE WILSON, OF LOUISIANA

Mr. RANSDELL. Mr. President, I ask unanimous consent to have printed in the RECORD a very important statement relative to the rivers and harbors bill, by Representative WILSON, of Louisiana, who is president of the National Rivers and Harbors Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The closing days of the second session of the Seventy-first Congress are being signalized by several important and constructive pieces of legislation, but perhaps the most significant of all which is being enacted is that which is commonly referred to as the river and harbor bill. This bill is comprehensive in its provisions. The spirit of sectionalism is conspicuously absent. It covers the whole country and recognizes and adopts important projects in every section. Again, party alignments have been ignored, and there are no evidences of favor to or disparagement of any section arising out of party differences.

The importance of the bill is further emphasized by the obvious fact that the waterways and harbors selected for improvement are such as will attract traffic and serve as useful units among the instrumentalities of transportation. Altogether the bill is creditable to the intelligence, the civic spirit, and the vision of the Members of the Seventy-first Congress.

It therefore seems a fitting occasion to make some comment regarding the improvement of our rivers and harbors and the promotion of water transportation. It appears superfluous in this day to emphasize the necessity of increasing the facilities of water transportation. Production in the United States is increasing year by year. Domestic consumption grows with the population and with the recognized maintenance of the American standard of living. Exports have also shown a healthful growth in recent years, which it is hoped will be augmented under the inspiration and genius of American manufacturers in the production of standard commodities. All this means a continuing increase in the volume of distribution. Distribution means transportation, and transportation, by an accepted axiom, is the lifeblood of commerce. Expedition and cheapness of movement of products within the United States and overseas are an essential adjunct of enlarged commerce.

How shall this increased distribution of products be made? In answering, one's mind reverts to the railroads. It is a foolish person who would disparage the importance of the railroads in our scheme of transportation. They have occupied a vital place in our industrial and commercial history and undoubtedly will continue to do so. In trackage, in rolling stock, in equipment, and service we have the most distinctive and efficient railroads in the world.

Having made this acknowledgment, the next thought which occurs is whether our railroads are sufficient to meet this growing demand of transportation. It is doubtful if the future will evolve another great trunk-line railway. The cost would be so excessive and other obstacles so difficult as to preclude such a prospect. All that the country may reasonably expect of the railroads in the immediate future is the building of more tracks, the providing of locomotive engines with greater tractive power, and other improved equipment. With all these improvements, the railroads will not be sufficient in themselves to respond to the growing demands of distribution.

How shall we augment our facilities of transportation other than by the utilization of our waterways? From every standpoint of wisdom and economics they constitute our best resort. In this connection, it must be remembered that many important waterways traverse areas which are lacking in other facilities of transport, and that the progress of such sections depends immediately upon the provision of water carriers.

Some citizens and newspapers here and there make occasional expression about the competition which waterways offer with the railroads. Competition in itself is not an unmixed evil, in so far as it creates better and cheaper service, but competition in the proper sense is not, and can not be characterized as, disadvantageous either to the railroads or the public. Different lines of railroad may be said to be competitive, and yet no one would think of discontinuance of any such road.

On the other hand, wise public opinion has ordained that all the railroads shall be more completely coordinated. To this end there have been established among different lines of railroads joint and proportional rates for the purpose of serving the whole country and for the promotion of economy and expedition in service. It would be perfectly safe to challenge any intelligent citizen to furnish any good reason why water carriers should not be likewise coordinated with the railroads. This coordination should be made complete, with the obvious result that movement of commodities would be both expedited and cheapened. It is a distinct gratification to know that such coordination between the waterways and the railways is making progress.

Of course, we have the public highways. The automobile and the truck have expedited the building of modern highways in almost every State in the Union. For a few years we heard much of the competition between the self-propelled vehicles and the railroads, but this problem is now adjusting itself. We are entering a period where wise railroad managers are recognizing the permanence of the automobile and the truck and are utilizing these facilities in coordination with their own service.

There is one phase in the improvement of waterways and harbors and in the promotion of water transportation which occasionally is in evidence. There yet remains a disposition in some quarters to impugn the motives of waterway advocates, to criticize the Congress, and to disparage transportation by water. Some of these expressions are sinister, unfair, and evidently intended to create prejudice and to impede the progress of waterway development. It becomes necessary to meet this insidious propaganda. It must be recalled that, under the interstate-commerce clause of the Federal Constitution, all navigable waterways are under the jurisdiction of the Federal Congress.

Members of both the Senate and the House are constantly confronted with both local and public demands upon their time and naturally lead busy lives. Under our form of Government, where public opinion is the final arbiter of legislation, it is necessary that the public and their legislators be both reminded and informed both as to policies and the details of legislation upon this important subject of water transportation. Based on this condition, groups of citizens in various sections of the country have formed waterway organizations by various names for the purpose of studying the merits of various local projects, giving publicity to their importance and advocating their improvement. A partial list of such organizations may be enumerated, such as the Allegheny River Improvement Association, Arkansas River Association, Atlantic Deeper Waterways Association, Beaver, Mahoning, and Shenango Waterway Association, Carolinas Inland Waterway Association, Chattahoochee Valley and Gulf Association, Columbia Valley Association, Cumberland River Improvement Association, Florida Inland and Coastal Waterways Association, Great Kanawah Valley Improvement Association, Great Lakes-St. Lawrence Tidewater Association, Great Lakes Harbors Association, Illinois State Waterways Association, Intracoastal Canal Association of Louisiana and Texas, Kiskiminetas and Conemaugh Rivers Improvement Association, Mississippi Valley Association, Missouri River Navigation Association, New Jersey Rivers and Harbors Congress, New York State Waterways Association, Ohio Valley Improvement Association, Open River Association of The Dalles, Oregon; Red River Flood Control and Navigation Association, Red River Valley Improvement Association, Tennessee River Improvement Association, Trenton-Philadelphia Deeper Waterway Association.

Unstinted credit must be accorded to the civic spirit and the fine work being done by all these organized groups of citizens, and it must be recognized that they are actuated by a spirit of unselfish service. They are making a distinct contribution to the public weal and without thought of selfish advantage.

However, every intelligent citizen will recognize the obvious fact that these organizations as units can not alone achieve their objective. The United States is distinctive in its variations of climate, of soil, and of industries, and each has peculiar problems of transportation. No one of these organizations, regardless of the area which it covers, can make sufficient impress upon public opinion or the Federal Congress, to secure, unaided, its particular objective in the way of waterway improvement. The problem involves the application of the old axiom of unity. Divided, each of these organizations will fail; united, they become invincible. There should be no difficulty in properly evaluating this principle.

The above proposition carries with it the necessity of considering how these local units scattered throughout our broad area may, in a practical way, give illustration to the value of an united purpose. The National Rivers and Harbors Congress, of which I have the honor to be president, was organized about 25 years ago to meet this obvious need. Its purpose has been to act as a sort of clearing house for all the local waterway organizations of the country, for the purpose of collating information and presenting same to the Congress and the administrative departments of the Government. Even more, it has been a medium in stating and restating the fundamental principles which lie at the basis of legislation and appropriations for waterway improvement. It has combated the tendency existent in all public problems, to deviate from the essentials and go afield in the nonessentials.

The National Rivers and Harbors Congress has performed even a more difficult rôle. It has evolved from time to time constructive legislative proposals and submitted these to the Federal Congress. Among these achievements may be mentioned section 500 of the transportation act of 1920, which succinctly sets forth the relationship of water transportation to the whole fabric of our transportation system and in plain terms designates transportation by water as an essential arm in the public service. Other pieces of legislation might be cited.

During the progress of agitation of various waterway projects, differences frequently arise among citizens of the same locality or among the engineers who are considering such projects. The National Rivers and Harbors Congress stands aloof in these controversies and awaits the time until local differences shall be assimilated into a common purpose and until the engineers have reached a final conclusion as to the engineering details. When that time arrives, such a project becomes entitled to the active aid of the National Rivers and Harbors Congress. However, there occasionally comes to the front some great enterprise upon which the country or different sections of the country may be divided. Under such a condition the National Rivers and Harbors Congress has sponsored the proposition that the giving of publicity to all sides of the question would not only be in the public interest but would best subserve the cause of eventual unity. Publicity not only conserves the merits of a public problem but, in a more important sense, it tends to remove the causes of friction by eliminating existing prejudices and concentrating the public mind upon the real merits of the problem under discussion.

I represent in part a State whose people are vitally interested in water transportation. The lower Mississippi flows by its border. The city of New Orleans is gradually establishing itself as the natural gateway to the sea for that group of dominant States located in the Mississippi Valley. I speak with some knowledge of the subject of water transportation. I have had occasion for many years to observe and to acknowledge the intrinsic value and the notable part which the National Rivers and Harbors Congress has performed in the improvement of waterways and the promotion of transportation. It is a pleasure to bespeak from the various local organizations of the country, and from those unselfish groups of citizens committed to the cause, their whole-hearted support of the National Rivers and Harbors Congress.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore laid before the Senate sundry messages from the President of the United States, transmitting nominations, which were referred to the appropriate committee.

The PRESIDENT pro tempore. Reports of committees are in order.

REPORT OF A MILITARY NOMINATION

Mr. REED, from the Committee on Military Affairs, reported the nomination of Brig. Gen. Frank Thomas Hines, Reserve Corps of the Army, to be a brigadier general, reserve, from September 7, 1930, which was placed on the Executive Calendar.

The PRESIDENT pro tempore. The calendar is now in order.

LONDON NAVAL TREATY

The Chief Clerk announced as first in order on the calendar Treaty Executive XI (71st Cong., 2d sess.), for the limitation and reduction of naval armaments signed April 22, 1930.

The PRESIDENT pro tempore. Under a unanimous-consent agreement, the treaty will go over.

CUSTOMS SERVICE

The Chief Clerk read the nomination of William H. Ellison to be collector of customs, district No. 25, headquarters at San Diego, Calif.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. PHIPPS. I ask that the nominations be confirmed en bloc, and that the President be notified.

The PRESIDENT pro tempore. Without objection, it is so ordered. The consideration of the calendar is completed; and, without objection, the President will be notified of all nominations this day made.

ADJOURNMENT

Mr. McNARY. As in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Friday, June 27, 1930, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 26, 1930

SECRETARY IN THE DIPLOMATIC SERVICE

Julius Wadsworth, of Connecticut, now a Foreign Service officer, unclassified, and a vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be brigadier general, reserve

Brig. Gen. Frank Thomas Hines, reserve, from September 7, 1930.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 26, 1930

COLLECTOR OF CUSTOMS

William H. Ellison, district No. 25, headquarters at San Diego, Calif.

POSTMASTERS

CALIFORNIA

Lucy B. Hopkins, Calistoga.
Mary C. Rathyen, Encinitas.

IOWA

Leeta Knapp, Aurora.
Russell I. Polly, Whiting.

LOUISIANA

Clement Bourgeois, Erath.
George M. Tannehill, Urania.
Irma L. Batey, Wisner.

MISSOURI

Lewis B. McKean, Blairstown.
Aaron D. Peterson, Browning.
Fred F. Hall, Hallsville.

NORTH CAROLINA

James E. Green, Mount Gilead.
John D. Massey, Selma.

NORTH DAKOTA

Ruth C. Borman, Alamo.

OHIO

Lewis C. Crawford, Shreve.
Clarence M. Jennings, Sterling.

PENNSYLVANIA

Harry W. Thatcher, Bethlehem.

SOUTH DAKOTA

Melvin P. Juel, Canton.
Harry M. Bardon, Rockham.
Elsie M. Romereim, Roslyn.
Mary V. Breene, Seneca.
William O. Brennan, Sherman.
Mary J. Carr, Stratford.

TENNESSEE

Robert D. Lindsay, Coal Creek.
Carrie S. Waters, Goodlettsville.

VIRGINIA

Clementine M. Wright, Sharps.

WISCONSIN

Cornelia F. Whitcomb, Bloomington.
Nels O. Neprud, Coon Valley.

HOUSE OF REPRESENTATIVES

THURSDAY, *June 26, 1930*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Incline our hearts to keep Thy law, O Lord, and work in us the spirit of sincere repentance. Turn our faces upward and ever keep them in the light. Because of our tendencies we ask Thee for faith and courage to meet life's uncertainties and to perform its duties with determination. May Thy will be done in all things. With Thy blessing upon us we pray that this day may be filled with peace and with those deeds which our minds and hearts have cherished. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 47. An act for the relief of the State of New York;

H. R. 494. An act for the relief of Catherine White;

H. R. 495. An act for the relief of Katherine Frances Lamb and Elinor Frances Lamb;
H. R. 528. An act for the relief of Clarence C. Cadell;
H. R. 531. An act for the relief of John Maika;
H. R. 794. An act for the relief of C. B. Smith;
H. R. 913. An act for the relief of Belle Clopton;
H. R. 917. An act for the relief of John Panza and Rose Panza;
H. R. 919. An act for the relief of the father of Catharine Kearney;
H. R. 1063. An act for the relief of Alice Hipkins;
H. R. 1066. An act for the relief of Evelyn Harris;
H. R. 2156. An act authorizing the sale of all of the interest and rights of the United States of America in the Columbia Arsenal property, situated in the ninth civil district of Maury County, Tenn., and providing that the net fund be deposited in the military post construction fund, and for the repeal of Public Law No. 542 (H. R. 12479), Seventieth Congress;
H. R. 2170. An act for the relief of Clyde Cornish;
H. R. 2222. An act for the relief of Laurin Gosney;
H. R. 2782. An act for the relief of Elizabeth B. Dayton;
H. R. 4564. An act for the relief of E. J. Kerlee;
H. R. 5627. An act relating to the naturalization of certain aliens;
H. R. 6227. An act for the relief of Elizabeth Lynn;
H. R. 12343. An act to authorize the Secretary of the Treasury to accept donations of sites for public buildings; and
H. J. Res. 253. Joint resolution to provide for the expenses of a delegation of the United States to the sixth meeting of the Congress of Military Medicine and Pharmacy to be held at Budapest in 1931.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1214. An act granting compensation to Philip R. Roby;
S. 1603. An act to provide for the exchange of lands of the United States in the Philippine Islands for lands of the Philippine government;
S. 4149. An act to add certain lands to the Ashley National Forest in the State of Wyoming;
S. 4248. An act authorizing the Secretary of War to convey the Fort Griswold tract to the State of Connecticut;
S. 4435. An act for the relief of James Williamson and those claiming under or through him;
S. 4665. An act extending the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, Tyler County, W. Va.;
S. 4671. An act granting the consent of Congress to the State of Montana, the counties of Roosevelt, Richland, and McCone, or any of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.;
S. 4683. An act to authorize the sale of all of the right, title, interest, and estate of the United States of America in and to certain lands in the State of Michigan;
S. 4687. An act granting the consent of Congress to the city of Aurora, Ill., to construct, maintain, and operate a free highway bridge from Stolps Island in the Fox River at Aurora, Ill., to connect with the existing highway bridge across the Fox River north of Stolps Island;
S. 4690. An act granting the consent of Congress to the State of Montana or the county of Roosevelt, or both of them, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Poplar, Mont.;
S. 4708. An act to amend the act entitled "An act providing for a study regarding the construction of a highway to connect the northwestern part of the United States with British Columbia, Yukon Territory, and Alaska in cooperation with the Dominion of Canada," approved May 15, 1930; and
S. 4735. An act to increase the salary of the Commissioner of Customs.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 887) entitled "An act for the relief of Mary R. Long," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOWELL, Mr. MCMASTER, and Mr. BLACK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 936) entitled "An act for the relief of Glen D. Tolman," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOWELL, Mr. MCMASTER, and Mr. BLACK to be the conferees on the part of the Senate.

SUSPENSION OF THE RULES

Mr. SNELL. Mr. Speaker, by direction of the Committee on Rules I call up privileged Resolution 271.

The SPEAKER. The gentleman from New York calls up a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 271

Resolved, That it shall be in order beginning on Thursday, June 26, 1930, until the end of the present session of Congress, for the Speaker to recognize Members for motions to suspend the rules.

Mr. POU rose.

Mr. SNELL. I yield to the gentleman. What time does he desire?

Mr. POU. Thirty minutes.

Mr. SNELL. I will yield to him whatever time he may need.

Mr. Speaker, all the debate necessary for the passage of this bill has been going on on the floor of the House and in the corridors for the last 48 hours. There is nothing new in the procedure to present a resolution of this character at this time in the session. Very often when we know that we are practically at the end of a session when the date is not definitely decided upon, and in order to facilitate the business of the House, a resolution of this character is passed.

I want to say in all frankness that the purpose of reporting this resolution to-day is to clear the decks as soon as possible for the passage of World War veterans' legislation and adjourn the House and go home.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Certainly.

Mr. RANKIN. Will the gentleman kindly give the House some information as to what the new veterans' legislation is to be, and where we can get a copy of it?

Mr. CELLER. Can the gentleman tell when will be brought up the Wagner unemployment bill?

Mr. SNELL. I can not answer.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BLANTON. I understand the proposed new veterans' legislation will be brought up in such shape that you can not change it by dotting an "i" or crossing a "t." Is that the plan?

Mr. SNELL. That is the plan.

Mr. BLANTON. Very well. The responsibility is on the administration.

The SPEAKER. What arrangement has been made between the gentleman from New York and the gentleman from North Carolina?

Mr. SNELL. I yield to the gentleman from North Carolina 30 minutes.

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, owing to circumstances over which I have no control, I would decline to take the floor at this time were it not for the fact that this is the last opportunity any of us will have to make an appeal to you for the uncompensated disabled veterans of the World War before the time comes to vote on the veto, which you will vote on without permitting us any time for debate.

Do not be deceived. You are being made the goats to-day, you men before me. You voted for the veterans' bill when it carried at least $50,000,000 a year more than it carries to-day.

Mr. SPEAKS. Not all of us.

Mr. RANKIN. All but a few; only 47 of you.

Mr. MORGAN. Forty-nine.

Mr. RANKIN. No; 47 Republicans and 2 misguided Democrats. You voted for it when it carried $50,000,000 a year more than it does to-day.

You are asked to-day to vote to kill veterans' relief and you will not escape responsibility. I want to tell you that the few men who claim to be the higher-ups in a certain institution—who are betraying the American Legion and who are betraying the disabled ex-service men—are not going to get by with it in this year of our Lord 1930.

What do you propose to do? You are asked to kill veterans' relief when you pass this innocuous bill, by which you would give a veteran with anything under a 50 per cent disability from tuberculosis, cancer, paralysis, or any other disease, $18 a month.

Mr. KVALE. Will the gentleman yield?

Mr. RANKIN. For a question.

Mr. KVALE. Will the gentleman include in his statement the word "permanent"?

Mr. RANKIN. Yes; it must be permanent to get even $18.

Why, the gentleman from Nebraska, for whom I have great admiration, because he is one Republican who would rather be wrong than regular on veterans' relief, is always against anything we try to pass.

Mr. SIMMONS. Will the gentleman yield there?

Mr. RANKIN. I do not mean that seriously, of course.

Mr. SIMMONS. Then the gentleman ought to retract the statement.

Mr. RANKIN. I will correct the statement. I do not mean the gentleman would always rather be wrong than regular, but the gentleman will be regular at the expense of being wrong on veterans' relief.

Mr. SIMMONS. I do not object to what the gentleman said about my being regular, but the gentleman said I was against veterans' relief, and that statement I challenge.

Mr. RANKIN. I do not say that the gentleman is always against veterans' relief, but he voted against the passage of this bill in the beginning, he voted against the Spanish War pension, and he voted to sustain the veto of the President, and he is going to vote to sustain this veto, and 10 days after to-day, when they come back with a veto to this bill, after the Senate has pumped some life into it, the chances are 6 to 1 the gentleman will be against that.

Mr. SIMMONS. Will the gentleman yield? That is not a fair statement. I did not vote against the Spanish War veterans' bill and I did not vote to sustain the veto, and the gentleman's statement about that is about as accurate as a number of other statements the gentleman is making. [Applause on Republican side.]

Mr. RANKIN. I think the gentleman is wrong. I think the gentleman showed up in the list, but if he did not, I will certainly correct my statement.

Mr. SIMMONS. I would suggest the gentleman get his facts straight before he tells anything to the House.

Mr. RANKIN. I do not want to misrepresent the gentleman from Nebraska, and if he did not vote to sustain the veto on the Spanish War veterans' bill, of course, I will correct that statement, because I do not want to misrepresent him.

Mr. SIMMONS. Then I suggest to the gentleman that he go over on his side and sit down until he knows what he is talking about with regard to this bill. [Applause.]

Mr. RANKIN. I know the gentleman from Nebraska is opposed to this bill. He knows that when he votes for the innocuous bill that is going to follow this one, he is voting for something that will not bring relief to the disabled veterans.

The gentleman from Nebraska goes on to say that these Spanish War veterans are old men. I want you to know that these World War men are invariably helpless and many of them are dying for lack of relief. Are you going to wait until they become disabled by reason of old age before you come to their relief?

You propose to sustain the President's veto in order that you may pass this innocuous bill, and when you do that, the Senate is going to raise the rates to where it will cost $50,000,000 more than the bill before you. A vote to sustain this veto is a vote against veterans' relief at this session of the Congress, and your leaders know it. [Applause.]

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker and Members of the House, the reason for the passage of this rule is to make it possible to introduce and pass a fair, equitable piece of veterans' legislation immediately after the President's veto is sustained.

I believe the House will sustain the President's veto just as firmly as I believe that that veto will be before us, and the President will state the truth in that veto if he says that the bill that has come to him is the most unfair, inequitable, unjust, and vicious piece of legislation that has ever been passed in any parliamentary body for the alleged relief of service men. [Applause.]

It will not do what some of you have thought it would do. It will take 40 per cent of the men suffering from diseases, certain selected diseases, and give them, with their hospitalization, what is a pension of $225 a month.

Mr. McCORMACK of Massachusetts. Will the gentleman yield?

Mr. JOHNSON of South Dakota. No; I want to finish this statement, and I have only five minutes.

The other 60 per cent will get nothing.

These service men in the United States are just as smart as anyone on the floor of this House. By the time that bill is analyzed in each American Legion post, in each post of the Veterans of Foreign Wars, in each Disabled American Veterans' post—and it will be analyzed—they will know that that bill "gold-bricked" them and they will know that it was unfair. You can search your files of your own cases to verify this statement, and I want to say that the Members of this House, both Republicans and Democrats, are doing a good job in trying to get things done for service men. I do not know of a man who is not working for them whether he is a Republican or a Democrat. There is no politics in that work, but when you analyze that measure, as it passed the House and the Senate, you will see that it would not take care of 40 per cent of your cases, while the bill which I will at once present to the House will take care of 200,000 men and will cost $50,000,000 a year.

This vote will defeat more Members of Congress than any piece of legislation that has been here in my time, because when some smart service man who analyzes these unfair laws becomes a candidate against some one who voted against the President's veto and calls attention to the fact that that bill would take care of men with acidosis and gout and hemophilia and obesity and a variety of diseases of that kind, but would not help a man who lost both arms in a coal mine and is needy, and does not help the man who has heart trouble and is needy, or does not help a man who has any of the other 60 per cent of diseases, and he names this Member of Congress as "Acidosis John Smith" or "Obesity John Smith," or whatever his name be, that man will be defeated, because the service men of this country want legislation that will treat every man alike. These service men are just as good citizens to-day as they were when they were in the service.

It is time for action, not talk, and upon this veto this will be my final word. I hope to pass a bill that the Congress can be proud of and not one that is discriminatory.

Mr. McCORMACK of Massachusetts rose.

Mr. JOHNSON of South Dakota. I do not want any remarks of others in my time, and for that reason I close my statement at this time. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the lady from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker and Members of the House, I have listened with a great deal of attention to the gentleman from South Dakota [Mr. JOHNSON]. I hope every Member who voted for the veterans' bill realizes exactly what he has been saying. Certainly it is an indictment against every man who voted for the veterans' bill, and I think we have a considerable majority. [Applause.]

During the past five years I have voted on many bills, some very good bills, others not because they were good but because they were the best to be had from a controlled majority, and were always so written that it was difficult to separate the good from the bad—one such example is the rivers and harbors bill. I have observed during my five years that wherever the bill had to do with large financial interests it had an assured easy passage, but whenever the human equation was uppermost it encountered rough seas.

In the case of the Rankin bill that would benefit so many deserving helpless men—helpless because they answered the call to make America a safe place in which to live; helpless because of their great love of country and of their fellow Americans, you and I and the millions who shouted and cheered them on their way to slaughter and death. We told them they would never be forgotten because they were brave men; yes, they were brave men, or, should I say, brave boys, for many of them had come from the schoolrooms and were looking at life for the first time, and to-day are wrecks lying in hospitals waiting for their day of release to come and wondering why they never had a chance to live. Our President was supposed to be a great humanitarian in those days. He was much advertised everywhere as feeding the hungry children of Europe. Of course the fact of his having been sent by a real humanitarian—a President who furnished all the necessary men, women, and money to work with was lost sight of—but to-day we know why the man who was charged with the task was successful. It was because he was following a great leader, taking orders from a man with a human heart—President Wilson. [Applause.]

To-day the man who profited by that human leadership is in the place of authority.

We had hoped and expected great things from his leadership, and we are amazed that the first real leadership displayed by him is to whip into line men who were disposed a few weeks ago to keep their promise to the boys they sent to filth and misery and death—living death—just a few short years ago. And if this were not bad enough, the excuse offered—for it is the real excuse—is even worse—a deficit in the Treasury—the same old cry that always arises when the machinery of state is interfered with by the humanitarians in Congress. For, thank God, we still have a few humanitarians in Congress, but their number is dwindling.

Who thought of the deficit in the Treasury when war was declared? When we were asked to give until it hurt? And

we did. And to-day many of the profiteers of those days are fearful that their ill-gotten wealth may be taxed a few extra dollars if this bill to help the men responsible for that wealth should become a law. And a President with his ear to the ground only hears the threat of the taxpayer when it is raised in opposition to a human cry. The richest country in the world is unable to pay its war debt to the men who contributed all they had to contribute to a cause they believed sacred, but to-day is not sacred because it may react upon the purse strings of a Treasury that must be considered above and beyond all human sentiment. [Applause.]

We are told the President's veto is to be sustained on this bill. Men who only a few days ago voted in favor of the bill are now arrayed against it. The President will win his first victory at the expense of the disabled veteran.

It is reported that the Johnson bill, H. R. 13174, said to be sponsored by the American Legion, is to be substituted for the Rankin bill. I have not read the provisions contained in this bill, but it is safe to assume that the heart of the Rankin bill—the presumptive clause—is stricken out and a small pension provided. My inclination is to vote against the bill, for it does not permit amendments—being considered under suspension. If I decide to vote in favor of the bill it will be simply because it is the best we can get from a powerfully controlled majority.

It is my hope that the Senate will use its independent thought to correct the inequalities of this bill, should it pass the House.

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Speaker and Members of the House, I represent a congressional district in which is located a National Home for Disabled Volunteer Soldiers. Since I have been a Member of Congress I have devoted my personal attention to many thousand claims to see that the veterans received every benefit to which they were entitled under the law, nothing more and nothing less.

I shall be very pleased to vote to sustain the veto of the President of the United States to-day [applause] and cast my vote for the bill, which will come before the House under suspension of the rules on a motion by the gentleman from South Dakota [Mr. JOHNSON]. [Applause.]

This is not the time and place to discuss this legislation from the point of what was promised the veterans when they were overseas. The question which is squarely before us is whether we are going to pass legislation granting additional benefits to our World War veterans which does not discriminate in favor of a few and against the many. [Applause.]

Ladies and gentlemen of the House, I can not put my stamp of approval on the bill as it passed the other body, which will single out a few diseases and hold them service connected when they show up before January 1, 1930, and absolutely ignore many hundreds of other diseases.

Why, under the bill which will be vetoed a man who gains in avoirdupois over nine years after the war will be able to receive service connection and compensation. Several of my colleagues and myself would no doubt receive service connection and compensation because of being overweight, which we gained a number of years after our discharge from active military service.

I feel confident that a great majority of the World War veterans—particularly those who are discriminated against—will approve and stand by the President's veto and favor the new bill which will be offered by the chairman of the World War Veterans' Committee [Mr. JOHNSON]. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker and ladies and gentlemen of the House, I do not propose to discuss this rule in reference to its effect on veterans' legislation. That has been ably brought to your attention by the gentleman from Texas, our Democratic leader. I have opposed this resolution from the Committee on Rules in that committee and now on the floor for more reasons than that it is directed at jamming through a veterans' bill.

Ordinarily, motions to suspend the rules are not made in order until we have passed a resolution to adjourn, and then during the last six days of the session motions to suspend the rules are in order under the general rules of the House. This special rule to make such motions in order beginning to-day before we have voted to adjourn is directed at much more than the veterans' legislation. Let me call the attention of you friends of labor, you friends of the small merchant, you friends of the farmer, you friends of people generally on both sides of the House to this legislative situation, and if you realize the full purport of it you will vote down this resolution.

On the 11th day of June a rule was reported from the Committee on Rules for the consideration of the Kelly-Capper bill. What is going to be done with that important measure? Will it be brought up at all or will it be jammed through in some form under suspension of the rules?

On June 14 there was reported out of the Committee on Rules a resolution to consider the border patrol act. What are you going to do with that controversial bill, rivaling in its harshness and its fanatical injustices the Jones law? Will you move to suspend the rules and rush that bill through, vicious as it is, with no opportunity for fair amendment?

On June 20 a resolution was reported out of the Committee on Rules making in order the agricultural bill relating to the branding of jellies and jams. What are you going to do with that bill? Will that be jammed through under a motion to suspend the rules?

On June 20 a rule was reported out to complete consideration of the copyright bill. Will that bill be rushed through under suspension with no opportunity to offer certain necessary amendments?

What are you going to do with the other important legislation still pending before this House, you friends of labor, you friends of the farmer, you friends of your constituents? What are you going to do with the Couzens resolution, S. J. Res. 161? Yesterday or the day before the House Committee on Interstate and Foreign Commerce reported that resolution so emasculated by amendments that it is an offense to fairness and to the railroad employees. What are you going to do with that resolution? Jam through that worthless substitute resolution, with no chance to amend it and restore it to its original form? Why, you friends of labor will be compelled to vote down that amended resolution, with no chance to vote for the original Couzens resolution!

What are you going to do with the three unemployment bills, S. 3059, S. 3060, and S. 3061? They have all been reported, perhaps one of them only to-day—but amended out of all recognition as compared with the Senate bills. Are you going to jam those through under a motion to suspend the rules, and make merely a gesture in the matter of unemployment, the most distressing problem of our Nation to-day?

What are you going to do with the other important legislation still pending here?

What are you going to do, for instance, with the 44-hour bill, S. 471, which passed the Senate on April 1, and was reported to this House on May 16, and still not acted on? What are you going to do with the half-holiday bill, H. R. 6603, which was reported to this House on April 7? What are you going to do with the prevailing rate of wage bill, H. R. 9232, which was reported to this House on April 15? What are you going to do with the customs employees' salary bill, H. R. 12742? What are you going to do with the Dickstein immigration bill, H. R. 5646, reported on March 25, which deservedly unites mothers and fathers? Are you gentlemen going to be restricted in the consideration of all those bills and many others just to meet this one situation in reference to the veterans' bill, a scheme planned and agreed on in the hog-tied Republican caucus the other night—to meet a situation at the dictation of the President, who should not interfere with a coordinate branch of the Government? Are you going to deny to the House of Representatives the right to consider all these and much other important legislation affecting labor and the farmers and the people generally of the United States? If you are really satisfied to go back to your people after being a party to that un-American method of legislation—if you are, perhaps some people may consider you unfit to serve in the greatest deliberative legislative body in the world. [Applause on the Democratic side.]

Mr. POU. Mr. Speaker, I think I have used most of my time. I ask the gentleman from New York to yield me five minutes.

Mr. SNELL. Mr. Speaker, I yield the gentleman from North Carolina five minutes.

The SPEAKER. The gentleman from North Carolina is recognized for six minutes.

Mr. POU. Mr. Speaker, I am obliged to my friend, the chairman of the Committee on Rules, who is always fair. Mr. Speaker, the stage has been set for the veto message which probably has already left the White House. I read very carefully what the President of the United States had to say with respect to the World War veterans' legislation. He summed it up in the statement that the legislation is bad legislation. I wondered if that could be true. I looked at the RECORD and I found that when the veterans' bill was considered by the House, 324 men said that it was good legislation and only 49 men said that it was bad legislation. I read of the action in another body and by 10 to 1 they said that this legislation was not bad legislation, and yesterday this House by unanimous vote put its seal of approval upon the legislation which the President said is bad. After all, that is merely an opinion. In the face of the record that has been made here, it is hard to see how gentlemen can find sufficient cause to turn about face and vote exactly opposite to the way they voted when the legislation was under

consideration. You would better get your one-third vote in this Congress because in all human probability you will not have it in the next. [Applause on the Democratic side.]

On Memorial or Armistice Day many of those present have in glowing terms acknowledged the debt this Nation owes to the men who won the war. To-day you will have opportunity to partly discharge that debt.

Mr. Speaker, I am for this legislation, heart and soul. I say it is righteous legislation. Almost 500 Members of this Congress have by their votes said that the bill which the President will veto is a righteous measure.

If I had a drop of blood in my body that was opposed to it, I would ask some surgeon to make an incision and take that drop of blood out. [Applause on the Democratic side.]

In almost every community in America there is to-day some ex-service man who did his duty but who is excluded by existing law, who will be cared for by the bill the President will veto. Some of these men have become charges on charity. When I remember that before the war the wealth of the United States was $189,000,000,000 and that after the war it was more than twice that, I say it is as little as we can do to deal liberally with the men who went across the sea and won the war fully a year before anybody thought it was possible. [Applause on the Democratic side.] The President vetoed the Spanish War veterans' bill, but you passed that measure over his veto, and to-day it is the law of the land. How will you who voted to pass that bill over a presidential veto explain a vote to-day to sustain a veto of this bill? It may be that you will defeat this legislation by securing a minority vote here. But for the great power of the President, there would probably be less than 100 votes to uphold his veto.

It may be that under gag rule you will put through some substitute; but there will be an accounting day, and that day will be in the coming November. [Applause on the Democratic side.]

Mr. SNELL. Mr. Speaker, I rise to say just one word in reply to my colleague from New York [Mr. O'CONNOR]. If the gentleman is as familiar with all of the actions of the House in the last few years as I think he must be, he would not have made the statement he made on the floor. In the first place, we have brought in a similar rule a great many times making suspensions in order the last few days of a session. Furthermore, we had suspensions beginning to-morrow by unanimous consent. Probably the only suspension that will come up to-day will be the one in connection with veterans' legislation. So that there is nothing hidden or concealed. I told the House frankly in my first statement the reason that we have brought this in to-day.

Mr. O'CONNOR of New York. When unanimous consent was obtained for suspension of the rules beginning to-morrow, the situation in reference to putting through the veterans' legislation was not before the House.

Mr. SNELL. Yes; but it is before the House now, and we have a rule to make it in order, and the only purpose of bringing in that rule is to put it through. That is what I told the House when I first took the floor. The gentleman said there was something hidden about it and there is not, and every one knows it.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. POU. Mr. Speaker, on that I demand the yeas and nays.

Mr. SNELL. Yes; let us have the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 139, not voting 61, as follows:

[Roll No. 76]

YEAS—228

Ackerman	Campbell, Iowa	Culkin	Freeman
Adkins	Campbell, Pa.	Dallinger	French
Allen	Carter, Calif.	Darrow	Garber, Okla.
Andresen	Carter, Wyo.	Davenport	Garber, Va.
Andrew	Chalmers	Dempsey	Gibson
Arentz	Chase	Denison	Gifford
Ayres	Chindblom	Dickinson	Goodwin
Bacharach	Christgau	Doutrich	Graham
Bachmann	Christopherson	Dowell	Guyer
Bacon	Clague	Dunbar	Hadley
Barbour	Clancy	Dyer	Hale
Beedy	Clark, Md.	Eaton, Colo.	Hall, Ill.
Beers	Clarke, N. Y.	Eaton, N. J.	Hall, Ind.
Blackburn	Cochran, Pa.	Elliott	Hall, N. Dak.
Bolton	Cole	Ellis	Halsey
Bowman	Collins	Englebright	Hancock
Brand, Ohio	Colton	Estep	Hardy
Brigham	Connolly	Esterly	Hartley
Britten	Cooper, Ohio	Evans, Calif.	Haugen
Brumm	Coyle	Fenn	Hawley
Buckbee	Craddock	Fitzgerald	Hess
Burdick	Crail	Fort	Hickey
Butler	Cramton	Foss	Hoch
Cable	Crowther	Frear	Hoffman
Hogg	Leavitt	Purnell	Summers, Wash.
Holaday	Leech	Ramey, Frank M.	Swanson
Hooper	Lehlbach	Ramseyer	Swick
Hope	Letts	Ransley	Swing
Hopkins	Luce	Reed, N. Y.	Taber
Houston, Del.	McClintock, Ohio	Reid, Ill.	Taylor, Tenn.
Hudson	McCormick, Ill.	Robinson	Temple
Hull, Morton D.	McFadden	Rogers	Thatcher
Hull, William E.	McLaughlin	Rowbottom	Thompson
Hull, Wis.	McLeod	Sanders, N. Y.	Thurston
Irwin	Maas	Schafer, Wis.	Tilson
Jenkins	Magrady	Schneider	Timberlake
Johnson, Ind.	Manlove	Sears	Tinkham
Johnson, Nebr.	Mapes	Seiberling	Treadway
Johnson, S. Dak.	Martin	Selvig	Turpin
Johnson, Wash.	Menges	Shaffer, Va.	Vestal
Jonas, N. C.	Merritt	Short, Mo.	Vincent, Mich.
Kahn	Michener	Shott, W. Va.	Wainwright
Kearns	Miller	Shreve	Wason
Kelly	Moore, Ohio	Simmons	Watres
Kendall, Ky.	Morgan	Simms	Watson
Kendall, Pa.	Mouser	Sloan	Welch, Calif.
Ketcham	Nelson, Me.	Smith, Idaho	White
Kiess	Newhall	Snell	Whitley
Kinzer	Niedringhaus	Snow	Wigglesworth
Knutson	Nolan	Sparks	Williamson
Kopp	O'Connor, Okla.	Speaks	Wolfenden
Kurtz	Palmer	Sproul, Ill.	Wolverton, N. J.
LaGuardia	Parker	Stafford	Wolverton, W.Va.
Lambertson	Perkins	Stobbs	Woodruff
Lampert	Pittenger	Strong, Kans.	Wurzbach
Lankford, Va.	Pratt, Harcourt J.	Strong, Pa.	Wyant
Lea	Pratt, Ruth	Sullivan, Pa.	Yates

NAYS—139

Abernethy	Dickstein	Johnson, Okla.	Palmisano
Allgood	Dominick	Johnson, Tex.	Parks
Almon	Doughton	Jones, Tex.	Patman
Arnold	Douglass, Mass.	Kennedy	Patterson
Aswell	Doxey	Kerr	Pou
Auf der Heide	Drane	Kincheloe	Prall
Bankhead	Drewry	Kvale	Quayle
Bell	Driver	Lanham	Quin
Black	Edwards	Lankford, Ga.	Ragon
Bland	Eslick	Larsen	Rainey, Henry T.
Blanton	Evans, Mont.	Lindsay	Ramspeck
Box	Fisher	Linthicum	Rankin
Boylan	Fitzpatrick	Lozier	Rayburn
Brand, Ga.	Fulmer	Ludlow	Rutherford
Briggs	Gambrill	McClintic, Okla.	Sabath
Browne	Garner	McCormack, Mass.	Sanders, Tex.
Browning	Garrett	McDuffie	Sandlin
Brunner	Gasque	McKeown	Sirovich
Busby	Gavagan	McMillan	Smith, W. Va.
Canfield	Glover	McSwain	Somers, N. Y.
Cannon	Goldsborough	Mead	Stevenson
Carley	Granfield	Milligan	Stone
Cartwright	Green	Montague	Sumners, Tex.
Celler	Greenwood	Mooney	Tarver
Clark, N. C.	Gregory	Moore, Ky.	Tucker
Cochran, Mo.	Griffin	Moore, Va.	Underwood
Connery	Hall, Miss.	Morehead	Vinson, Ga.
Cooper, Tenn.	Hammer	Nelson, Mo.	Warren
Cox	Hare	Norton	Whitehead
Crisp	Hastings	O'Connell	Whittington
Cross	Hill, Ala.	O'Connor, La.	Wilson
Crosser	Hill, Wash.	O'Connor, N. Y.	Woodrum
Cullen	Howard	Oldfield	Wright
Davis	Huddleston	Oliver, Ala.	Yon
DeRouen	Jeffers	Oliver, N. Y.	

NOT VOTING—61

Aldrich	Finley	Langley	Sproul, Kans.
Baird	Fish	McReynolds	Stalker
Beck	Free	Mansfield	Steagall
Bloom	Fuller	Michaelson	Stedman
Bohn	Golder	Montet	Sullivan, N. Y.
Buchanan	Hudspeth	Murphy	Taylor, Colo.
Burtness	Hull, Tenn.	Nelson, Wis.	Underhill
Byrns	Igoe	Owen	Walker
Collier	James	Peavey	Welsh, Pa.
Cooke	Johnson, Ill.	Porter	Williams
Cooper, Wis.	Johnston, Mo.	Pritchard	Wingo
Corning	Kading	Reece	Wood
Curry	Kemp	Romjue	Zihlman
De Priest	Kiefner	Seger	
Douglas, Ariz.	Korell	Sinclair	
Doyle	Kunz	Spearing	

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Wood with Mr. Byrns.
Mr. Welsh of Pennsylvania with Mr. Hull of Tennessee.
Mr. Sinclair with Mrs. Owen.
Mr. Aldrich with Mr. Stegall.
Mr. Fish with Mr. Taylor of Colorado.
Mr. Golder with Mr. Douglas of Arizona.
Mr. Zihlman with Mr. Mansfield.
Mr. Beck with Mr. Bloom.
Mr. Kiefner with Mr. Fuller.
Mrs. Langley with Mr. Kemp.
Mr. Bohn with Mr. Stedman.
Mr. Murphy with Mr. Wingo.
Mr. Seger with Mr. Collier.
Mr. Michaelson with Mr. Hudspeth.
Mr. Reece with Mr. Romjue.
Mr. Johnston of Missouri with Mr. Williams.
Mr. Free with Mr. Spearing.
Mr. Wolverton of New Jersey with Mr. Sullivan of New York.
Mr. Sproul of Kansas with Mr. Montet.
Mr. Cooper of Wisconsin with Mr. Corning.
Mr. Baird with Mr. Buchanan.

Mr. Nelson of Wisconsin with Mr. Doyle.
Mr. Finley with Mr. McReynolds.
Mr. Cooke with Mr. Kunz.
Mr. James with Mr. Igoe.

The result of the vote was announced as above recorded.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, may I submit a unanimous-consent request? The gentleman from Alabama [Mr. OLIVER] generously gave way for to-day the time heretofore granted to him in order that we might proceed with the program. I ask unanimous consent that he may proceed on Friday for 15 minutes. I also ask unanimous consent that the gentleman from South Carolina [Mr. STEVENSON] may proceed for five minutes following him.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 9, 1930:

H. R. 851. An act for the relief of Richard Kirchhoff;

H. R. 1160. An act for the relief of Henry P. Biehl;

H. R. 3175. An act to authorize Lieut. Commander James C. Monfort, of the United States Navy, to accept a decoration conferred upon him by the Government of Italy;

H. R. 3610. An act for the relief of William Geravis Hill;

H. R. 3801. An act waiving the limiting period of two years in Executive Order No. 4576 to enable the Board of Awards of the Navy Department to consider recommendation of the award of the distinguished-flying cross to members of the Alaskan Aerial Survey Expedition; and

H. R. 5213. An act for the relief of Grant R. Kelsey, alias Vincent J. Moran.

On June 10, 1930:

H. R. 1053. An act for the relief of Jacob Scott;

H. R. 1155. An act for the relief of Eugene A. Dubrule;

H. R. 3118. An Act for the relief of the Marshall State Bank;

H. R. 3144. An act to amend section 601 of subchapter 3 of the Code of Laws for the District of Columbia;

H. R. 3200. An act for the relief of Bessie Blaker;

H. R. 3257. An act for the relief of Ellen B. Monahan;

H. R. 5524. An act for the relief of T. J. Hillman;

H. R. 6071. An act for the relief of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church of the United States;

H. R. 9557. An act to create a body corporate by the name of the "Textile Alliance Foundation";

H. R. 9806. An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United Staes;

H. R. 11228. An act granting the consent of Congress to the State of Illinois to construct a bridge across the Rock River south of Moline, Ill.;

H. R. 11240. An act to extend the times for commencing and completing the construction of a bridge across the Monongahela River at Pittsburgh, Allegheny County, Pa.;

H. R. 11282. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, State of Iowa;

H. R. 11435. An act granting the consent of Congress to the city of Rockford, Ill., to construct a bridge across the Rock River at Broadway in the city of Rockford, Winnebago County, State of Illinois; and

H. R. 12131. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Kittanning, Armstrong County, Pa.

On June 11, 1930:

H. R. 977. An act establishing under the jurisdiction of the Department of Justice a division of the bureau of investigation to be known as the division of identification and information;

H. R. 1194. An act to amend the naval appropriation act for the fiscal year ended June 30, 1916, relative to the appointment of pay clerks and acting pay clerks;

H. R. 1601. An act to authorize the Department of Agriculture to issue two duplicate checks in favor of Utah State treasurer, where the originals have been lost;

H. R. 2587. An act for the relief of James P. Sloan;

H. R. 2626. An act for the relief of George Joseph Boydell;

H. R. 2951. An act granting six months' pay to Frank J. Hale;

H. R. 5611. An act for the relief of William H. Behling;

H. R. 6348. An act donating trophy guns to Varina Davis Chapter, No. 1980, United Daughters of the Confederacy, Macclenny, Fla.;

H. R. 6591. An act authorizing the Secretary of War to grant to the town of Winthrop, Mass., a perpetual right of way over such land of the Fort Banks Military Reservation as is necessary for the purpose of widening Revere Street to a width of 50 feet;

H. R. 9109. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Jefferson Memorial Association of St. Louis, Mo., the ship's bell, builder's label plate, a record of war services, letters forming ship's name, and silver service of the cruiser *St. Louis* that is now or may be in his custody;

H. R. 9370. An act to provide for the modernization of the United States Naval Observatory at Washington, D. C., and for other purposes;

H. R. 9975. An act for the relief of John C. Warren, alias John Stevens;

H. R. 10662. An act providing for hospitalization and medical treatment of transferred members of the Fleet Naval Reserve and the Fleet Marine Corps Reserve in Government hospitals without expense to the reservist;

H. R. 12236. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1931, and for other purposes;

On June 12, 1930:

H. J. Res. 181. Joint resolution to amend a joint resolution entitled "Joint resolution giving to discharged soldiers, sailors, and marines a preferred right of homestead entry," approved February 14, 1920, as amended January 21, 1922, and as extended December 28, 1922;

H. R. 976. An act providing that subscription charges for newspapers, magazines, and other periodicals for official use may be paid for in advance;

H. R. 1840. An act for the relief of Gertrude Lustig;

H. R. 2011. An act to authorize the Secretary of War to settle the claims of the owners of the French steamships *P. L. M. 4* and *P. L. M. 7* for damages sustained as the result of collisions between such vessels and the U. S. S. *Henderson* and U. S. S. *Lake Charlotte*, and to settle the claim of the United States against the owners of the French steamship *P. L. M. 7* for damages sustained by the U. S. S. *Pennsylvania* in a collision with the *P. L. M. 7;* and

H. R. 8589. An act for the relief of Charles J. Ferris, major, United States Army, retired.

On June 13, 1930:

H. J. Res. 270. A joint resolution authorizing an appropriation to defray the expenses of the participation of the Government in the Sixth Pan American Child Congress, to be held at Lima, Peru, July, 1930;

H. R. 1086. An act for the relief of George W. Posey;

H. R. 6130. An act to exempt the Custer National Forest from the operation of the forest homestead law, and for other purposes;

H. R. 8372. An act to provide for the construction and equipment of an annex to the Library of Congress; and

H. R. 12205. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

On June 14, 1930:

H. R. 972. An act to amend an act entitled "An act providing for the revision and printing of the index to the Federal Statutes," approved March 3, 1927;

H. R. 4020. An act to authorize the Secretary of the Interior to investigate and report to Congress on the advisability and practicability of establishing a national park to be known as the Upper Mississippi National Park in the States of Iowa, Illinois, Wisconsin, and Minnesota;

H. R. 5190. An act to enable the Postmaster General to authorize the establishment of temporary or emergency star-route service from a date earlier than the date of the order requiring such service;

H. R. 6651. An act for the relief of John Golombiewski;

H. R. 11082. An act granting a franking privilege to Helen H. Taft; and

H. R. 11143. An act to create in the Treasury Department a bureau of narcotics, and for other purposes.

On June 16, 1930:

H. R. 6186. An act for the relief of Frank Storms;

H. R. 11274. An act to amend section 305, chapter 8, title 28, of the United States Code relative to the compilation and print-

ing of the opinions of the Court of Customs and Patent Appeals; and

H. J. Res. 340. Joint resolution extending the time for the assessment, refund, and credit of income taxes for 1927 and 1928 in the case of married individuals having community income.

On June 17, 1930:

H. J. Res. 289. Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the siege of Yorktown, Va., and the surrender of Lord Cornwallis on October 19, 1781, and authorizing an appropriation to be used in connection with such celebration, and for other purposes;

H. R. 827. An act for the relief of Homer C. Rayhill;

H. R. 885. An act for the relief of George F. Newhart, Clyde Hahn, and David McCormick;

H. R. 969. An act to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States circuit judges;

H. R. 2030. An act to authorize an appropriation for the purchase of land adjoining Fort Bliss, Tex.;

H. R. 2667. An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes;

H. R. 8591. An act for the relief of Henry Spight;

H. R. 8855. An act for the relief of John W. Bates;

H. R. 9425. An act to authorize the Secretary of War to donate a bronze cannon to the city of Martins Ferry, Ohio;

H. R. 11903. An act granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.;

H. R. 11933. An act granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.;

H. R. 12348. An act to provide for the partial payment of the expenses of foreign delegates to the Eleventh Annual Convention of the Federation Interalliee Des Anciens Combattants, to be held in the District of Columbia in September, 1930; and

H. R. 12440. An act providing certain exemptions from taxation for Treasury bills.

On June 18, 1930:

H. R. 692. An act for the relief of Ella E. Horner;

H. R. 1499. An act for the relief of C. O. Crosby;

H. R. 4469. An act for the relief of Second Lieut. Burgo D. Gill;

H. R. 6124. An act to provide for the reconstruction of the Army and Navy Hospital at Hot Springs, Ark.;

H. R. 7464. An act for the relief of Robert R. Strehlow;

H. R. 7484. An act for the relief of Edward R. Egan;

H. R. 9300. An act to authorize the Postmaster General to hire vehicles from village delivery carriers;

H. R. 11007. An act to amend the act of August 24, 1912 (ch. 389, par. 7, 37 Stat. 556; U. S. C., title 39, sec. 631), making appropriations for the Post Office Department for the fiscal year ending June 30, 1913;

H. R. 11273. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near Croton, Iowa; and

H. R. 11679. An act to provide for acquiring and disposition of certain properties for use or formerly used by the Lighthouse Service.

On June 19, 1930:

H. R. 3203. An act to authorize the city of Salina and the town of Redmond, State of Utah, to secure adequate supplies of water for municipal and domestic purposes through the development of subterranean water on certain public lands within said State;

H. R. 7299. An act for the relief of Hannah Odekirk;

H. R. 8479. An act to amend section 7 of Public Act No. 391, Seventieth Congress, approved May 15, 1928;

H. R. 9169. An act for the relief of the successors of Luther Burbank; and

H. R. 11134. An act to amend section 91 of the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended.

On June 20, 1930:

H. R. 515. An act for the relief of Jackson D. Wissman;

H. R. 2876. An act for the relief of J. C. Peixotto;

H. R. 10375. An act to provide for the retirement of disabled nurses of the Army and Navy;

H. J. Res. 280. Joint resolution to authorize participation by the United States in the Interparliamentary Union; and

H. J. Res. 353. Joint resolution providing for an investigation and report, by a committee to be appointed by the President, with reference to the representation at and participation in the Chicago Wolrd's Fair Centennial Celebration, known as the Century of Progress Exposition, on the part of the Government of the United States and its various departments and activities.

On June 21, 1930:

H. .R. 8836. An act for the relief of the French Co. of Marine and Commerce;

H. R. 8881. An act to carry out the recommendation of the President in connection with the late-claims agreement entered into pursuant to the settlement of war claims act of 1928;

H. R. 10668. An act to authorize issuance of certificates of repatriation to certain veterans of the World War;

H. R. 10780. An act to transfer certain lands to the Ouachita National Forest, Ark.;

H. R. 11784. An act to provide for the addition of certain lands to the Rocky Mountain National Park, in the State of Colorado; and

H. J. Res. 300. Joint resolution to permit the Pennsylvania Gift Fountain Association to erect a fountain in the District of Columbia.

On June 23, 1930:

H. R. 593. An act for the relief of First Lieut. John R. Bailey;

H. R. 1029. An act for the relief of Arthur D. Story, assignee of Jacob Story, and Harris H. Gilman, receiver for the Murray & Thregurtha plant of the National Motors Corporation;

H. R. 1481. An act for the relief of James C. Fritzen;

H. R. 1494. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

H. R. 7205. An act for the relief of Lamirah F. Thomas;

H. R. 7822. An act amending section 2 and repealing section 3 of the act approved February 24, 1925 (43 Stat. 964, ch. 301), entitled "An act to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation," and for other purposes;

H. R. 7924. An act for the erection of tablets or markers and the commemoration of Camp Blount and the Old Stone Bridge, Lincoln County, Tenn.;

H. R. 7997. An act authorizing the purchase by the Secretary of Commerce of additional land for the Bureau of Standards of the Department of Commerce;

H. R. 8127. An act for the relief of J. W. Nelson;

H. R. 8958. An act for the relief of certain employees of the Alaska Railroad;

H. R. 9198. An act to remove cloud as to title of lands at Fort Lyttleton, S. C.;

H. R. 11432. An act to amend the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, relating to the condemnation of land;

H. R. 11700. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at or near Cedar Street, Youngstown, Ohio;

H. R. 11786. An act to legalize a bridge across the Arkansas River at the town of Ozark, Franklin County, Ark.;

H. R. 11934. An act authorizing the Monongahela Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near the town of Star City, W. Va.;

H. R. 11966. An act to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.; and

H. R. 11974. An act granting the consent of Congress to the Beaufort County Lumber Co. to construct, maintain, and operate a railroad bridge across the Lumber River at or near Fair Bluff, Columbus County, N. C.

On June 24, 1930:

H. J. Res. 311. Joint resolution for the participation of the United States in an exposition to be held at Paris, France, in 1931;

H. R. 669. An act for the relief of Seth J. Harris;

H. R. 745. An act for the relief of B. Frank Shetter;

H. R. 1312. An act for the relief of J. W. Zornes;

H. R. 3764. An act for the relief of Ruban W. Riley;

H. R. 7643. An act to establish a term of the District Court of the United States for the District of Nevada at Las Vegas, Nev.;

H. R. 11050. An act to transfer Willacy County in the State of Texas from the Corpus Christi division of the southern district of Texas to the Brownsville division of such district; and

H. R. 12447. An act to extend hospital facilities to certain retired officers and employees of the Lighthouse Service and to improve the efficiency of the Lighthouse Service.

On June 25, 1930:

H. R. .1306. An act for the relief of Charles W. Byers.

VETO MESSAGE OF THE PRESIDENT—WORLD WAR VETERANS' LEGISLATION (H. DOC. NO. 495)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I am returning herewith House bill 10381 without approval.

One of the most repugnant tasks which can fall to this office is to disapprove of measures intended to benefit our sick or disabled men who have served our country in war. Perhaps as much as any other person, I have full realization of the task, the hardships, and the dangers to which the Nation ordered its sons. In sentiment and in sympathy I should desire no greater satisfaction than to support just measures which are proposed for their benefit. But I want a square deal between veterans—not unjust discriminations between special groups, and I do not want wasteful or unnecessary expenditures.

The country already generously provides for the 280,000 men whose health or earning power is shown to have been impaired by their service in the war and for 91,000 dependents of the men who suffered or died. That is and should be a first charge upon the Nation.

This measure, except for a small part, adds nothing to aid of veterans wounded or disabled in the war. It is a radical departure from our full commitment to provide compensation to men for war disability into the field of pension to men who have incurred disabilities as the incident of civil life since the war and having no valid relation to their miltary service. It provides that in respect to veterans who between the years 1925 and 1930 shall have become afflicted with any one of an extensive category of diseases and thus disabled, there is established a "presumption" that these diseases originated from their service and that they should be "compensated" or pensioned upon the basis of men who suffered as the result of actual military service. This provision would give war-disability benefits to from 75,000 to 100,000 men who were not disabled as the result of war. In other words, the bill purports to establish that men who have enjoyed good health for a minimum of 7 years (from 1918 to 1925) since the war, or a maximum of 12 years (to 1930), and who have then become afflicted, have received such affliction from their war service.

I am informed by the Director of the Veterans' Bureau that the medical council of the bureau, consisting of most eminent physicians and surgeons, supported by the whole experience of the bureau, agree conclusively that this legal "presumption" that affliction from diseases mentioned in the bill between 1925 and 1930 is not a physical possibility and that the presumption constitutes a wholly false and fictitious basis for legislation in veterans' aid. This is confirmed by a recent resolution of so eminent a body as the American Medical Association.

The spectacle of the Government practicing subterfuge in order to say that what did not happen in the war did happen in war impairs the integrity of government, reduces the respect for government, and undermines the morale of all the people.

The practical effects of this enactment of a fictitious "presumption" into law are widespread. It creates a long train of injustices and inequalities. The first is to place men of this class who have in fact been disabled in civil life since the war upon the same basis as the men who were wounded in battle and suffered the exposures of the trenches. But a second injustice immediately arises. The Veterans' Bureau estimates that there are somewhere in the neighborhood of 380,000 possible cases of disability incurred in civil life since the war amongst the 4,300,000 living veterans. By this legislation all except somewhere between 75,000 and 100,000 of these men are excluded from this aid by the Government except for benefits which they already receive by hospitalization, the bonus, and insurance. This bill would, therefore, create a preferred group of one-third among the men who are suffering from disabilities incurred in civil life since the war.

The further injustice of this bill may become more apparent when it is realized that men who were enrolled in the Army who remained but comparatively a few days or weeks in service, without ever leaving their home States, will receive aid upon the same basis as those men who passed through the Battle of the Argonne. They may come upon the Government pay roll for life in case of total disability at rates from $80 to $200 per month. Beyond this again, under the provisions of this bill as it affects the existing law, many thousands of men who have in fact incurred their disabilities in civil life may receive larger allowances from the Government than the men actually wounded at the front.

It has been contended that the Government has the right to disprove the "presumption" that any of the long list of diseases enumerated in this bill are not of war origin. But the burden of such proof is placed upon the Government, and all the experience of the Veterans' Bureau shows that such rebuttal is ineffective, as the evidence surrounding such questions as a rule can not be secured or made clear and conclusive.

Additional inequalities and injustices arise from certain other provisions At the present time any veteran who may become ill or disabled as the incident of civil life is received in Government hospitals if there is a vacant bed, and given free treatment. This bill provides that such cases received in the hospitals shall in addition to free treatment also receive cash allowances, and that a dependency allowance under certain restrictions shall be made to their families. The number of men of this type who are taken into Federal hospitals depends upon the number of beds unoccupied by men actually disabled from illness or injury incurred during the war, that being the major purpose of the hospitals. It is, therefore, a matter of accident or luck as to whether a given veteran, ill from sickness arising in civil life, is able to secure these facilities. An ill and destitute veteran may not have the luck to find a bed, in which case he neither receives treatment nor does his family receive an allowance. Yet a veteran of independent means may be fortunate enough to secure both. This is neither equitable nor just.

This bill departs from the traditional basis upon which we have given support to the veterans of the Civil and Spanish Wars. We have always recognized the principle in that legislation that the veterans of less than 90 days' service, unless they have a disability incurred in line of duty, should be excluded from benefits because such men have not been called to actual war service. Recently in the Spanish War veterans' bill, against my protest, this was reduced to 70 days, but in the bill we are here considering there is no requirement whatever of service, and a man with one day's service after enrollment is entitled to all of the benefits. Here we create at once an injustice between veterans of different wars and between men whose lives were endangered and those who incurred no risks.

There is no provision in this bill against men of independent means claiming benefits from the Government for these disabilities arising in civil life. Surely it is of vital importance to the taxpayers, who directly or indirectly include all veterans themselves, that they shall not be called upon to contribute to such men of independent means. Moreover, it is equally important that the amount the Nation can find for this burden should not be dissipated over those without need but should be devoted to those who are in actual need. A declaration of destitution and pauperism from veterans is not necessary. I have never advocated such a declaration. It can, however, easily be provided in any legislation that the Secretary of the Treasury should return to the Veterans' Bureau a statement of the men who are exempt from income taxes at some level to be determined by Congress.

I have already protested to Congress in other connections against the inclusion of compensation for disablement due to vicious habits. This bill contemplates compensation for some misconduct disabilities the whole conception of which must be repugnant to decent family life.

No government can proceed with intelligence that does not take into account the fiscal effects of its actions. The bill in a wasteful and extravagant manner goes far beyond the financial necessities of the situation. General Hines, after renewed examination, reports that this bill as finally passed will cost $110,000,000 the first year; that this will increase to an annual burden of $235,000,000 and continue during the life of these veterans. The provision in the bill for review after three years, in my view, will never relieve us from commitments once entered upon. And this is but a portion of the costs, because the bill as enacted contains indirect liabilities to the Government of uncertain but very large possibilities. The amendments to section 19 of the World War veterans' act will increase the liabilities of the Government by a total of over $40,000,000, and the amendments to section 206 or 209 of the act will increase liabilities to a substantial but uncertain amount.

These costs are beyond the capacity of the Government at the present time without increased taxation. They are larger than the veterans have themselves proposed.

Beyond this, and of vital importance, are the potential obligations which are created and must finally be met. For instance, if we attempt to set up a system of relief to veterans suffering from disabilities incurred in civil life by establishing the "presumptions" of this bill, then we can not with fairness stop with a preferred group of 75,000 to 100,000 men. We shall have to extend these "presumptions" step by step over the entire group of 380,000. The additional cost upon the basis of the first 100,000 could readily add another $150,000,000 or $200,000,000 a year. If we are going to make cash allowances to men disabled from sickness or accident arising in civil life now in

Government hospitals, together with cash allowances to their families, we must consider the fate of others in the same class who are so unfortunate as not to be able to find an empty bed. There are approximately 13,000 such cases of illness arising from civil life in the Federal hospitals at the present time. The medical council of the Veterans' Bureau states that there are at least 89,000 such cases that will eventually have a right to hospitalization if beds are available. In addition to hospitals now building, we should need to expend another $140,000,000 in construction to take care of such further cases, and then be faced with an annual maintenance cost of about 60,000,000, all in addition to what we are providing now. To this again must be added the cash allowance to the further number of men for whom we make additional beds available in hospitals, and the allowance to their families, which will in itself aggregate a further great annual sum.

It is disagreeable to point out these potentialities lest it be thought that the Government begrudges its veterans. I am not presenting these reasons in any such sense but in order that Congress and the country may be apprised of the real magnitude of the burden imposed and of the injustices arising from this legislation.

Even if I were able to overlook these burdens, for monetary considerations are indeed secondary, I can not overlook the discriminations and injustices which this legislation creates, together with its failure to meet the real need that exists to-day among our veterans in a fundamental and sound manner.

HERBERT HOOVER.

THE WHITE HOUSE, *June 26, 1930.*

The SPEAKER. The objections of the President will be spread upon the Journal. The question is, Will the House on reconsideration pass the bill, the veto of the President to the contrary notwithstanding?

Mr. JOHNSON of South Dakota. In my judgment, Mr. Speaker, the House is ready to act on the message of the President, which correctly characterizes this unjust, unfair, and discriminatory bill, and for that reason without further discussion, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House on reconsideration, pass the bill, the veto of the President to the contrary notwithstanding?

Under the Constitution, the vote on the President's veto must be by yeas and nays. As many as are in favor of overruling the veto will, as their names are called, answer "aye"; as many as are in favor of supporting the President will, as their names are called, answer "no."

The Clerk will call the roll.

The Clerk proceeded to call the roll.

Mr. GARNER (interrupting the roll call). Mr. Speaker, that is not, under the Constitution, the motion before the House, and can not be the motion. The vote is to pass this bill, the President's veto to the contrary notwithstanding.

The SPEAKER. That is what the Chair said.

Mr. GARNER. Well, the Chair did not say so at all.

The SPEAKER. The Chair did say so twice.

Mr. TILSON. Mr. Speaker, I make the point of order that the gentleman is not in order in interrupting during a roll call.

The question was taken; and there were—yeas 182, nays 188, not voting 58, as follows:

[Roll No. 77]

YEAS—182

Abernethy	Christgau	Esterly	Huddleston
Adkins	Clark, N. C.	Evans, Mont.	Hull, William E.
Allgood	Connery	Fisher	Hull, Wis.
Almon	Connolly	Fitzpatrick	Irwin
Arnold	Cooper, Tenn.	Frear	Jeffers
Aswell	Cox	Fulmer	Johnson, Okla.
Auf der Heide	Craddock	Gambrill	Johnson, Tex.
Bankhead	Crail	Garber, Okla.	Jones, Tex.
Bell	Crisp	Garner	Kendall, Pa.
Black	Cross	Garret	Kennedy
Bland	Crosser	Gasque	Kerr
Blanton	Cullen	Gavagan	Kincheloe
Box	Davis	Glover	Kinzer
Boylan	DeRouen	Goldsborough	Kopp
Brand, Ga.	Dickstein	Granfield	Kurtz
Briggs	Dominick	Green	Kvale
Browne	Doughton	Greenwood	Lampert
Browning	Douglas, Ariz.	Gregory	Lanham
Brumm	Douglass, Mass.	Griffin	Lankford, Ga.
Brunner	Doutrich	Hall, Ill.	Larsen
Busby	Dowell	Hall, Miss.	Lea
Butler	Doxey	Hammer	Leech
Campbell, Iowa	Drane	Hare	Lindsay
Canfield	Drewry	Hartley	Linthicum
Cannon	Driver	Hastings	Lozier
Carley	Dunbar	Haugen	Ludlow
Cartwright	Edwards	Hill, Ala.	McClintic, Okla.
Celler	Englebright	Hill, Wash.	McCormack, Mass.
Chase	Eslick	Howard	McDuffie
McKeown	Oliver, N. Y.	Rutherford	Thurston
McMillan	Palmisano	Sabath	Tucker
McSwain	Parks	Sanders, Tex.	Turpin
Mead	Patman	Sandlin	Underwood
Milligan	Patterson	Schneider	Vinson, Ga.
Montague	Pou	Shreve	Warren
Mooney	Prall	Sirovich	Welch, Calif.
Moore, Ky.	Pritchard	Smith, W. Va.	Whitehead
Moore, Va.	Quayle	Somers, N. Y.	Wilson
Morehead	Quin	Stevenson	Wolfenden
Nelson, Mo.	Ragon	Stone	Wolverton, N. J.
Norton	Rainey, Henry T.	Strong, Pa.	Woodrum
O'Connell	Ramspeck	Sumners, Tex.	Wright
O'Connor, La.	Rankin	Swanson	Wyant
O'Connor, N. Y.	Rayburn	Swing	Yon
Oldfield	Reid, Ill.	Tarver	
Oliver, Ala.	Robinson	Taylor, Tenn.	

NAYS—188

Ackerman	Dyer	Kendall, Ky.	Sanders, N. Y.
Allen	Eaton, Colo.	Ketcham	Schafer, Wis.
Andresen	Eaton, N. J.	Kiess	Sears
Andrew	Elliott	Knutson	Seiberling
Arentz	Ellis	Korell	Selvig
Ayres	Estep	LaGuardia	Shaffer, Va.
Bacharach	Evans, Calif.	Lambertson	Short, Mo.
Bachmann	Fenn	Lankford, Va.	Shott, W. Va.
Bacon	Fort	Leavitt	Simmons
Baird	Foss	Lehlbach	Simms
Barbour	Freeman	Letts	Sloan
Beedy	French	Luce	Smith, Idaho
Beers	Garber, Va.	McClintock, Ohio	Snell
Blackburn	Gibson	McCormick, Ill.	Snow
Bolton	Gifford	McFadden	Sparks
Bowman	Goodwin	McLaughlin	Speaks
Brand, Ohio	Graham	McLeod	Sproul, Ill.
Brigham	Guyer	Maas	Stafford
Britten	Hadley	Magrady	Stobbs
Buckbee	Hale	Manlove	Strong, Kans.
Burdick	Hall, Ind.	Mapes	Sullivan, Pa.
Cable	Hall, N. Dak.	Martin	Summers, Wash.
Campbell, Pa.	Halsey	Menges	Swick
Carter, Calif.	Hancock	Merritt	Taber
Carter, Wyo.	Hardy	Michener	Temple
Chalmers	Hawley	Miller	Thatcher
Chindblom	Hess	Moore, Ohio	Thompson
Christopherson	Hickey	Morgan	Tilson
Clague	Hoch	Mouser	Timberlake
Clancy	Hoffman	Nelson, Me.	Tinkham
Clark, Md.	Hogg	Newhall	Treadway
Clarke, N. Y.	Holaday	Niedringhaus	Vestal
Cochran, Mo.	Hooper	Nolan	Vincent, Mich.
Cochran, Pa.	Hope	O'Connor, Okla.	Wainwright
Cole	Hopkins	Palmer	Wason
Colton	Houston, Del.	Parker	Watres
Cooper, Ohio	Hudson	Perkins	Watson
Coyle	Hull, Morton D.	Pittenger	White
Cramton	Jenkins	Pratt, Harcourt J.	Whitley
Crowther	Johnson, Ind.	Pratt, Ruth	Whittington
Culkin	Johnson, Nebr.	Purnell	Wigglesworth
Dallinger	Johnson, S. Dak.	Ramey, Frank M.	Williamson
Darrow	Johnson, Wash.	Ramseyer	Wolverton, W. Va.
Davenport	Jonas, N. C.	Ransley	Wood
Dempsey	Kahn	Reed, N. Y.	Woodruff
Denison	Kearns	Rogers	Wurzbach
Dickinson	Kelly	Rowbottom	Yates

NOT VOTING—58

Aldrich	Finley	Kunz	Spearing
Beck	Fish	Langley	Sproul, Kans.
Bloom	Fitzgerald	McReynolds	Stalker
Bohn	Free	Mansfield	Steagall
Buchanan	Fuller	Michaelson	Stedman
Burtness	Golder	Montet	Sullivan, N. Y.
Byrns	Hudspeth	Murphy	Taylor, Colo.
Collier	Hull, Tenn.	Nelson, Wis.	Underhill
Collins	Igoe	Owen	Walker
Cooke	James	Peavey	Welsh, Pa.
Cooper, Wis.	Johnson, Ill.	Porter	Williams
Corning	Johnston, Mo.	Reece	Wingo
Curry	Kading	Romjue	Zihlman
De Priest	Kemp	Seger	
Doyle	Kiefner	Sinclair	

The Clerk announced the following pairs:

On this veto:

Mrs. Langley and Mr. Bloom (override) with Mr. Free (sustain).

Mr. Sinclair and Mr. Johnson of Illinois (override) with Mr. Golder (sustain).

Mr. Welsh of Pennsylvania and Mr. Zihlman (override) with Mr. Beck (sustain).

Mr. Sullivan of New York and Mr. Kemp (override) with Mr. Fish (sustain).

Mr. Curry and Mrs. Owen (override) with Mr. Kiefner (sustain).

Mr. Wingo and Mr. Steagall (override) with Mr. Cooke (sustain).

Mr. Romjue and Mr. Corning (override) with Mr. Aldrich (sustain).

Mr. Sproul of Kansas and Mr. DePriest (override) with Mr. Johnston of Missouri (sustain).

Mr. Byrns and Mr. Hull of Tennessee (override) with Mr. Bohn (sustain).

Mr. BROWNING. Mr. Speaker, I desire to state that three of my colleagues from Tennessee, Mr. BYRNS, Mr. HULL, and Mr. MCREYNOLDS are unavoidably absent. I am directed by each one of them to state that if they were present they would vote "aye" on this roll call.

Mr. SANDERS of Texas. Mr. Speaker, my colleague, Mr. WILLIAMS, is unavoidably absent. On this roll call he would vote "aye." The same also applies to the gentleman from Missouri, Mr. ROMJUE.

Mr. JOHNSON of Texas. Mr. Speaker, the gentlemen from Texas, Mr. MANSFIELD and Mr. BUCHANAN, are unavoidably absent. If present, they would vote "aye."

Mr. FREAR. Mr. Speaker, the gentleman from Wisconsin, Mr. NELSON is absent. If he were present, he would vote "no."

Mr. KENDALL of Kentucky. Mr. Speaker, the gentleman from Kentucky, Mr. WALKER, is unable to be present. If present, he would have voted "aye."

The result of the vote was announced as above recorded.

The SPEAKER. Two-thirds not having voted in the affirmative, the bill is rejected, and the message is referred to the Committee on World War Veterans' Legislation and ordered printed, together with the bill.

Mr. JOHNSON of South Dakota. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13174) to amend the World War veterans' act, 1924, as amended.

The SPEAKER. The gentleman from South Dakota moves to suspend the rules and pass the bill H. R. 13174. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That section 5 of the World War Veterans' Act, 1924, as amended (sec. 426, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 5. The director, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this act, and for that purpose shall have full power and authority to make rules and regulations, not inconsistent with the provisions of this act, which are necessary or appropriate to carry out its purposes, and shall decide all questions arising under this act; and all decisions of questions of fact affecting any claimant to the benefits of Titles II, III, or IV of this act shall be conclusive except as otherwise provided herein. All officers and employees of the bureau shall perform such duties as may be assigned them by the director. All official acts performed by such officers or employees specially designated therefor by the director shall have the same force and effect as though performed by the director in person. Wherever under any provision or provisions of the act regulations are directed or authorized to be made, such regulations, unless the context otherwise requires, shall or may be made by the director. The director shall adopt reasonable and proper rules to govern the procedure of the divisions and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits of compensation, insurance, vocational training, or maintenance and support allowance provided for in this act, the forms of application of those claiming to be entitled to such benefits, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards: *Provided*, That regulations relating to the nature and extent of the proofs and evidence shall provide that due regard shall be given to lay and other evidence not of a medical nature."

SEC. 2. That section 10 of the World War veterans' act, 1924, as amended (sec. 434, title 38, U. S. C.), be hereby amended by adding thereto the following paragraphs:

"The director is further authorized to secure such recreational facilities, supplies, and equipment for the use of patients in hospitals, and for employees at isolated stations as he, in his discretion, may deem necessary, and the appropriations made available for the carrying out of the provisions of this section may be expended for that purpose."

SEC. 3. That section 16 of the World War veterans' act, 1924, as amended (sec. 442, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 16. All sums heretofore appropriated for the military and naval insurance appropriation and all premiums collected for the yearly renewable term insurance provided by the provisions of Title III deposited and covered into the Treasury to the credit of this appropriation, shall, where unexpended, be made available for the bureau. All premiums that may hereafter be collected for the yearly renewable term insurance provided by the provisions of Title III hereof shall be deposited and covered into the Treasury for the credit of this appropriation. Such sum, including all premium payments, is made available for the payment of the liabilities of the United States incurred under contracts of yearly renewable term insurance made under the provisions of Title III, including the refund of premiums and such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia. Payments from this appropriation shall be made upon and in accordance with the awards by the director."

SEC. 4. That section 19 of the World War veterans' act, 1924, as amended (sec. 445, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 19. In the event of disagreement as to claim, including claim for refund of premiums, under a contract of insurance between the bureau and any person or persons claiming thereunder an action on the claim may be brought against the United States either in the Supreme Court of the District of Columbia or in the district court of the United States in and for the district in which such persons or any one of them resides, and jurisdiction is hereby conferred upon such courts to hear and determine all such controversies. The procedure in such suits shall be the same as that provided in sections 5 and 6 of the Act entitled 'An act to provide for the bringing of suits against the Government of the United States,' approved March 3, 1887, and section 10 thereof so far as applicable. All persons having or claiming to have an interest in such insurance may be made parties to such suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct. In all cases where the bureau acknowledges the indebtedness of the United States upon any such contract of insurance and there is a dispute as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought by the bureau in the name of the United States against all persons having or claiming to have any interest in such insurance in the Supreme Court of the District of Columbia or in the district court in and for the district in which any of such claimants reside: *Provided*, That no less than 30 days prior to instituting such suit the bureau shall mail a notice of such intention to each of the persons to be made parties to the suit. The circuit courts of appeal and the Court of Appeals of the District of Columbia shall respectively exercise appellate jurisdiction and, except as provided in sections 346 and 347, title 28, United States Code, the decrees of the circuit courts of appeal and the Court of Appeals of the District of Columbia shall be final.

"No suit shall be allowed under this section unless the same shall have been brought within six years after the right accrued for which the claim is made prior to May 29, 1929, whichever is the later date: *Provided*, That for the purposes of this section it shall be deemed that the right accrued on the happening of the contingency on which the claim is founded: *Provided further*, That this limitation is suspended for the period elapsing between the filing in the bureau of the claim sued upon and the denial of said claim by the director. Infants, insane persons, or persons under other legal disability, or persons rated as incompetent or insane by the bureau shall have three years in which to bring suit after the removal of their disabilities. If suit is seasonably begun and fails for defect in process, or for other reasons not affecting the merits, a new action, if one lies, may be brought within a year though the period of limitations has elapsed. Judgments heretofore rendered against the person or persons claiming under the contract of war-risk insurance on the ground that the claim was barred by the statute of limitations shall not be a bar to the institution of another suit on the same claim. No State or other statute of limitations shall be applicable to suits filed under this section.

"In any suit, action, or proceeding brought under the provisions of this act subpœnas for witnesses who are required to attend a court of the United States in any district may run into any other district: *Provided*, That no writ of subpœna shall issue for witnesses living out of the district in which the court is held at a greater distance than 100 miles from the place of holding the same without the permission of the court being first had upon proper application and cause shown. The word 'district' and the words 'district court' as used herein shall be construed to include the District of Columbia and the Supreme Court of the District of Columbia.

"Attorneys of the bureau when assigned to assist in the trial of cases, and employees of the bureau when ordered in writing by the director to appear as witnesses shall be paid the regular travel and subsistence allowance paid to other employees when on official travel status.

"Part time and fee basis employees of the bureau, in addition to their regular travel and subsistence allowance, when ordered in writing by the director to appear as witnesses in suits under this section, may be allowed, within the discretion and under written orders of the director, a fee in an amount not to exceed $20 per day.

"Employees of the United States Veterans' Bureau who are subpœnaed to attend the trial of any suit, under the provisions of this act, as witnesses for plaintiffs shall be granted official leave for the period they are required to be away from the bureau in answer to such subpœnas.

"The term 'claim' as used in this section, means any writing which alleges permanent and total disability at a time when the contract of insurance was in force, or which uses words showing an intention to claim insurance benefits; and the term 'disagreement' means a denial of the claim by the director or some one acting in his name on an appeal to the director. This section, as amended, with the exception of this paragraph, shall apply to all suits now pending against the United States under the provisions of the war risk insurance act, as amended, or the World War veterans' act, 1924, as amended."

SEC. 5. That a new subdivision be added to section 21 of the World War veterans' act, 1924, as amended (sec. 450, title 38, U. S. C.), to be known as subdivision (3), and to read as follows:

"(3) All or any part of the compensation or insurance the payment of which is suspended or withheld under this section may, in the discretion of the director, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary to be used solely for the benefit of such beneficiary, or, in the case of an incom-

petent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate or apportioned to his dependent or dependents under the provisions of section 202 (7) of this act may be ordered held in the Treasury to the credit of such beneficiary. All funds so held shall be disbursed under the order and in the discretion of the director for the benefit of such veteran or his dependents. Any balance remaining in such fund to the credit of any veteran may be paid to him if he recovers and is found competent, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as provided in section 26 of this act: *Provided,* That payment will not be made to his personal representative if, under the law of the State of his last legal residence, his estate would escheat to the State: *Provided further,* That any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the veteran or his estate, derived from compensation, automatic or term insurance payable under said acts, which under the law of the State wherein the veteran had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the veteran or his estate, less legal expenses of any administration necessary to determine that an escheat is in order, to the bureau, and shall be deposited to the credit of the current appropriations provided for payment of compensation and insurance."

SEC. 6. That section 28 of the World War veterans' act, 1924, as amended (sec. 453, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 28. There shall be no recovery of payments from any person who, in the judgment of the director, is without fault on his part and where, in the judgment of the director, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer shall be held liable for any amount paid by him to any person where the recovery of such amount is waived under this section.

"When under the provisions of this section the recovery of a payment made from the United States Government life insurance fund is waived, the United States Government life insurance fund shall be reimbursed for the amount involved from the current appropriation for military and naval insurance.

"This section, as amended, shall be deemed to be in effect as of June 7, 1924."

SEC. 7. That section 30 of the World War veterans' act, 1924, as amended (sec. 456, title 38, U. S. C.), be hereby amended by adding thereto a new subdivision to be known as subdivision (e), and to read as follows:

"(e) The director may authorize an inspection of bureau records by duly authorized representatives of the organizations designated in or approved by him under section 500 of the World War veterans' act, 1924, as amended, under such rules and regulations as he may prescribe."

SEC. 8. That a new section be added to Title I of the World War veterans' act, 1924, as amended, to be known as section 37, and to read as follows:

"SEC. 37. Checks properly issued to beneficiaries and undelivered for any reason shall be retained in the files of the bureau until such time as delivery may be accomplished, or until three full fiscal years have elapsed after the end of the fiscal year in which issued."

SEC. 9. That a new section be added to Title I of the World War veterans' act, 1924, as amended, to be known as section 38, and to read as follows:

"SEC. 38. The director is hereby authorized to purchase uniforms for all personnel employed as watchmen, elevator operators, and elevator starters in the Arlington Building, city of Washington, D. C."

SEC. 10. That a new section be added to Title I of the World War veterans' act, 1924, as amended, to be known as section 39, and to read as follows:

"SEC. 39. The Secretary of War is hereby authorized and directed to transfer to and accumulate in the War Department in the city of Washington, D. C., all records and files containing information regarding medical and services records of veterans of the World War: *Provided,* That the necessary appropriation to accomplish the transfer of such records and files is hereby authorized."

SEC. 11. That section 200 of the World War veterans act, 1924, as amended (sec. 471, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 200. For death or disability, resulting from personal injury suffered or disease contracted in the military or naval service on or after April 6, 1917, and before July 2, 1921, or for an aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the military or naval service on or after April 6, 1917, and before July 2, 1921, by any commissioned officer or enlisted man, or by any member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), when employed in the active service under the War Department or Navy Department, the United States shall pay to such commissioned officer or enlisted man, member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), or women citizens of the United States who were taken from the United States by the United States Government and who served in base hospitals overseas, or, in the discretion of the director, separately to his or her dependents, compensation as hereinafter provided; but no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by his own willful misconduct: *Provided,* That no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct. That for the purposes of this section and section 304 every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to July 2, 1921, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who on or after July 2, 1921, is discharged or resigns, shall be conclusively held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record in any manner by proper authorities of the United States at the time of, or prior to, inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record: *Provided,* That an ex-service man who is shown to have or, if deceased, to have had, prior to January 1, 1925, neuropsychiatric disease, spinal meningitis, an active tuberculosis disease, paralysis agitans, encephalitis lethargica, or amœbic dysentery developing a 10 per cent degree of disability or more in accordance with the provisions of subdivision (4) of section 202 of this act, shall be presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting neuropsychiatric disease, spinal meningitis, tuberculosis, paralysis agitans, encephalitis lethargica, or amœbic dysentery in such service between said dates, and said presumption shall be conclusive in cases of active tuberculosis disease and spinal meningitis, but in all other cases said presumption shall be rebuttable by clear and convincing evidence; but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability due to these diseases of more than 10 per cent degree (in accordance with the provisions of subdivision (4) of section 202 of this act) on or subsequent to January 1, 1925, if the facts in the case substantiate his claim: *Provided further,* That the provisions of this act shall apply only to ex-service men who entered the service, were inducted or who applied for enlistment, prior to November 12, 1918, and their dependents, but payment to any persons now receiving benefits under the act shall not be discontinued by reason of this proviso for a period of one year following approval of this amendatory act.

On and after the date of the approval of this amendatory act any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War, and who is or may hereafter be suffering from a 25 per cent or more permanent disability, as defined by the director, not the result of his own willful misconduct, which was not acquired in the service during the World War, or for which compensation is not payable, shall be entitled to receive a disability allowance at the following rates: 25 per cent permanent disability, $12 per month; 50 per cent permanent disability, $18 per month; 75 per cent permanent disability, $24 per month; total permanent disability, $40 per month. No disability allowance payable under this paragraph shall commence prior to the date of the passage of this amendatory act or the date of application therefor, and such application shall be in such form as the director may prescribe: *Provided,* That no disability allowance under this paragraph shall be payable to any person not entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for such disability allowance under this paragraph. In any case in which the amount of compensation hereafter payable to any person for permanent disability under the provisions of this act is less than the maximum amount of the disability allowance payable for a corresponding degree of disability under the provisions of this paragraph, then such person may receive such disability allowance in lieu of compensation. Nothing in this paragraph shall be construed to allow the payment to any person of both a disability allowance and compensation during the same period; and all payments made to any person for a period covered by a new or increased award of disability allowance or compensation shall be deducted from the amount payable under such new or increased award. As used in Titles I and V of the World War veterans' act, 1924, as amended, the term "compensation" shall be deemed to include the term "disability allowance" as used in this paragraph.

The Secretary of the Treasury is hereby directed, upon the request of the director to transmit to the director a certificate stating whether the veteran who is applying for a disability allowance under this paragraph was entitled to exemption from the payment of a Federal in-

come tax for the year preceding the filing of application for the disability allowance, and such certificate shall be conclusive evidence of the facts stated therein.

SEC. 12. That section 201, subdivisions (f) and (1), of the World War Veterans' Act, 1924, as amended (section 472, title 38, United States Code), be hereby amended to read as follows:

"(f) If there is a dependent mother (or dependent father), $20, or both, $30. The amount payable under this subdivision shall not exceed the difference between the total amount payable to the widow and children and the sum of $75: *Provided*, That in case there is both a dependent mother and a dependent father, the amount payable to them shall not be less than $20. Such compensation shall be payable, whether the dependency of the father or mother or both arises before or after the death of the person: *Provided*, That the status of dependency shall be determined as of the first day of each year, and the director is authorized to require a submission of such proof dependency as he, in his discretion, may deem necessary: *Provided further*, That upon refusal or neglect of the claimant or claimants to supply such proof of dependency in a reasonable time the payment of compensation shall be suspended or discontinued.

"(1) If death occur or shall have occurred subsequent to April 6, 1917, and before discharge or resignation from the service, the United States Veterans' Bureau shall pay for burial and funeral expenses and the return of body to his home a sum not to exceed $100, as may be fixed by regulation. Where a veteran of any war, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, who was not dishonorably discharged, dies after discharge or resignation from the service, the director, in his discretion and with due regard to the circumstances of each case, shall pay, for burial and funeral expenses and the transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding $107 to cover such items and to be paid to such person or persons as may be fixed by regulations: *Provided*, That when such person dies while receiving from the bureau compensation or vocational training, or in a national military home, the above benefits shall be payable in all cases: *Provided further*, That where such person, while receiving from the bureau medical, surgical, or hospital treatment, or vocational training, dies away from home and at the place to which he was ordered by the bureau, or while traveling under orders of the bureau, or in a national military home, the above benefits shall be payable in all cases and in addition thereto the actual and necessary cost of the transportation of the body of the person (including preparation of the body) to the place of burial, within the continental limits of the United States, its Territories, or possessions, and including also, in the discretion of the director, the actual and necessary cost of transportation of an attendant: *Provided further*, That no accrued pension, compensation, or insurance due at the time of death shall be deducted from the sum allowed: *Provided further*, That the director may, in his discretion, make contracts for burial and funeral services within the limits of the amounts allowed herein without regard to the laws prescribing advertisement for proposals for supplies and services for the United States Veterans' Bureau: *Provided further*, That section 5, title 41, of the United States Code, shall not be applied to contracts for burial and funeral expenses heretofore entered into by the director so as to deny payment for services rendered thereunder, and all suspensions of payment heretofore made in connection with such contracts are hereby removed, and any and all payments which are now or may hereafter become due on such contracts are hereby expressly authorized: *Provided further*, That no deduction shall be made from the sum allowed because of any contribution toward the burial which shall be made by any State, county, or municipality, but the aggregate of the sum allowed plus such contribution or contributions shall not exceed the actual cost of the burial.

"Where a veteran of any war, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, who was not dishonorably discharged, dies after discharge or resignation from the service, the director shall furnish a flag to drape the casket of such veteran and afterwards to be given to his next of kin regardless of the cause of death of such veteran."

SEC. 13. That subdivisions (3) and (5) of section 202 of the World War veterans' act, 1924, as amended (secs. 473, 478, 479, title 38, U. S. C.), be hereby amended to read as follows:

"(3) If and while the disability is rated as total and permanent, the rate of compensation shall be $100 per month: *Provided, however*, That the permanent loss of the use of both feet, or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or the organic loss of speech, or becoming permanently helpless or permanently bedridden, shall be deemed to be total permanent disability: *Provided further*, That the compensation for the loss of the use of both eyes shall be $150 per month, and that compensation for the loss of the use of both eyes and one or more limbs shall be $200 per month: *Provided further*, That for double total permanent disability the rate of compensation shall be $200 per month.

"That any ex-service man shown to have a tuberculous disease of compensable degree, and who has been hospitalized for a period of one year, and who in the judgment of the director will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not, in the judgment of the director, feasible for training, shall, upon his request, be discharged from hospitalization and rated as temporarily totally disabled, said rating to continue for the period of three years: *Provided, however*, That nothing in this subdivision shall deny the beneficiary the right, upon presentation of satisfactory evidence, to be adjudged to be permanently and totally disabled: *Provided further*, That in addition to the compensation above provided, the injured person shall be furnished by the United States such reasonable governmental, medical, surgical, and hospital services, including payment of court costs and other expenses incident to proceedings heretofore or hereafter taken for commitment of mentally incompetent persons to hospitals for care and treatment of the insane, and shall be furnished with such supplies, including wheel chairs, artificial limbs, trusses, and similar appliances, as the director may determine to be useful and reasonably necessary, which wheel chairs, artificial limbs, trusses, and similar appliances may be procured by the bureau in such manner, either by purchase or manufacture, as the director may determine to be advantageous and reasonably necessary: *Provided*, That nothing in this act shall be construed to affect the necessary military control over any member of the Military or Naval Establishments before he shall have been discharged from the military or naval service: *Provided further*, That where any person entitled to the benefits of this paragraph has heretofore been hospitalized in a State institution, the United States Veterans' Bureau is hereby authorized to reimburse such person, or his estate, where payment has been made to the State out of the funds of such person, or to reimburse the State or any subdivision thereof where no payment has been made for the reasonable cost of such services from the date of admission.

"There shall be paid to any person who suffered the loss of the use of a creative organ or one or more feet or hands in the active service in line of duty between April 6, 1917, and November 11, 1918, compensation of $25 per month, independent of any other compensation which may be payable under this act: *Provided, however*, That if such disability was incurred while the veteran was serving with the United States military forces in Russia, the dates herein stated shall extend from April 6, 1917, to April 1, 1920.

"(5) If the disabled person is so helpless as to be in need of a nurse or attendant, such additional sum shall be paid, but not exceeding $50 per month, as the director may deem reasonable."

SEC. 14. That subdivision (7) of section 202 of the World War Veterans' act, 1924, as amended (secs. 480, 481, title 38, U. S. C.), be hereby amended to read as follows:

"(7) Where any disabled person having neither wife, child, nor dependent parent shall, after July 1, 1924, have been maintained by the Government of the United States for a period or periods amounting to six months in an institution or institutions, and shall be deemed by the director to be insane, the compensation for such person shall thereafter be $20 per month so long as he shall thereafter be maintained by the bureau in an institution; and such compensation may, in the discretion of the director, be paid to the chief officer of said institution to be used for the benefit of such person: *Provided, however*, That in any case where the estate of such veteran derived from funds paid under the War Risk Insurance Act, as amended, and/or the World War Veterans' Act, 1924, as amended, equals or exceeds $3,000, payment of the $20 per month shall be discontinued until the estate is reduced to $3,000: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such additional sum shall be paid him as would equal the total sum by which his compensation has been reduced or discontinued through the provisions of this subdivision.

"All or any part of the compensation of any mentally incompetent inmate of an institution may, in the discretion of the director, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate, or may, in the discretion of the director, be apportioned to wife, child or children, or dependent parents in accordance with regulations.

"That any ex-service person shown to have had a tuberculous disease of a compensable degree, who in the judgment of the director has reached a condition of complete arrest of his disease, shall receive compensation of not less than $50 per month: *Provided, however*, That nothing in this provision shall deny a beneficiary the right to receive a temporary total rating for six months after discharge from a one year's period of hospitalization: *Provided further*, That no payments under this provision shall be retroactive, and the payments hereunder shall commence from the date of the passage of this act or the date the disease reaches a condition of arrest, whichever be the later date.

"The director is hereby authorized and directed to insert in the rating schedule a minimum rating of permanent partial 25 per cent for arrested or apparently cured tuberculosis."

SEC. 15. (1) That so much of the second sentence of subdivision (10) of section 202 of the World War veterans' act, 1924, as amended (sec. 484, title 38, U. S. C.), as precedes the first proviso thereof, be hereby amended to read as follows:

"The director is further authorized, so far as he shall find that existing Government facilities permit, to furnish hospitalization and necessary traveling expenses incident to hospitalization to veterans of any war, military occupation, or military expedition, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, and including persons who served overseas as contract surgeons of the Army at any time during the Spanish-American War, not dishonorably discharged, without regard to the nature or origin of their disabilities:"

(2) That the following new paragraph be added to subdivision (10) of section 202 of the World War veterans' act, 1924, as amended (sec. 484, title 38, U. S. C.), to read as follows:

"For the purposes of this section the Spanish-American War shall be construed to mean service between April 21, 1898, and July 4, 1902, and the term 'veteran' shall be deemed to include those persons retired or otherwise not dishonorably separated from the active list of the Army or Navy."

SEC. 16. That subdivision (15) of section 202 of the World War veterans' act, 1924, as amended (sec. 489, title 38, U. S. C.), be hereby amended to read as follows:

"(15) That any person who is now receiving a gratuity or pension from the United States under existing law shall not receive compensation under this section unless he shall first surrender all claim to further payments of such gratuity or pension, except as hereafter provided and in subdivision (7) of section 201: *Provided,* That in the event of surrender of pension as hereinbefore set forth, any disability incurred in the military service of the United States, by reason of which said pension would be payable, shall be evaluated in accordance with the provisions of subdivision (4), section 202, and shall be payable as compensation under this act: *Provided further,* That such compensation rating shall be combined with any other compensation rating awarded by reason of active service in the World War."

SEC. 17. That section 206 of the World War veterans' act, 1924, as amended (sec. 495, title 38, U. S. C.), be hereby repealed.

SEC. 18. That section 209 of the World War veterans' act, 1924, as amended (sec. 498, title 38, U. S. C.), be hereby repealed.

SEC. 19. That section 210 of the World War veterans' act, 1924, as amended (sec. 499, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 210. That no compensation shall be payable for any period more than one year prior to the date of claim therefor, nor shall increased compensation be awarded to revert back more than six months prior to the date of claim therefor: *Provided,* That nothing herein shall be construed to permit the payment of compensation under the World War veterans' act, as amended, for any period prior to June 7, 1924. Except in case of fraud participated in by the beneficiary, no reduction in compensation shall be made retroactive." This section as amended to be effective June 7, 1924.

SEC. 20. That section 212 of the World War veterans' act, 1924, as amended (sec. 422, title 38, U. S. C.), be hereby amended by adding thereto the following proviso:

"*Provided further,* That an application for compensation under the war risk insurance act, as amended, shall be deemed to be a claim for compensation under this act, and an application for compensation under the provisions of this act shall be deemed to be a claim for compensation under all subsequent amendments to said act, this proviso to be effective as of June 7, 1924."

SEC. 21. That a new section be added to Title II of the World War veterans' act, 1924, as amended, to be known as section 214, and to read as follows:

"SEC. 214. Where an incompetent receiving disability compensation under the provisions of this act disappears, the director, in his discretion, may pay to the dependents of such veteran the amount of compensation provided in section 201 of the World War veterans' act, 1924, as amended, for dependents of veterans."

SEC. 22. That section 301, paragraphs 3 and 4, of the World War veterans' act, 1924, as amended (sec. 512, title 38, U. S. C.), be hereby amended to read as follows:

"In case where an insured whose yearly renewable term insurance has matured by reason of total permanent disability is found and declared to be no longer permanently and totally disabled, and where the insured is required under regulations to renew payment of premiums on said term insurance, and where this contingency is extended beyond the period during which said yearly renewable term insurance otherwise must be converted, there shall be given such insured an additional period of two years from the date on which he is required to renew payment of premiums in which to reinstate or convert said term insurance as hereinbefore provided: *Provided,* That where the time for conversion has been extended under the second paragraph of this section because of the mental condition or disappearance of the insured, there shall be allowed to the insured an additional period of two years from the date on which he recovers from his mental disability or reappears in which to convert.

"The insurance, except as provided herein, shall be payable in 240 equal monthly installments: *Provided,* That when the amount of an individual monthly payment is less than $5, such amount may in the discretion of the director be allowed to accumulate without interest and be disbursed annually. Provisions for maturity at certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for refund of premiums, cash, loan, paid-up and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable, may be provided for in the contract of insurance, or from time to time by regulations. All calculations shall be based upon the American Experience Table of Mortality and interest at 3½ per cent per annum, except that no deduction shall be made for continuous installments during the life of the insured in case his total and permanent disability continues more than 240 months. Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries, but only within the classes herein provided."

SEC. 23. That the last proviso of section 304 of the World War veterans' act, 1924, as amended (sec. 515, title 38, U. S. C.), be hereby amended to read as follows: "*And provided further,* That, except as provided in section 301 of the World War veterans' act, as amended, no yearly renewable term insurance shall be reinstated after July 2, 1927."

SEC. 24. That section 307 of the World War veterans' act, 1924, as amended (sec. 518, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 307. All contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States, and subject to the provisions of section 23: *Provided,* That the insured under such contract or policy may, without prejudicing his rights, elect to make claim to the bureau or to bring suit under section 19 of this act on any prior contract or policy, and if found entitled thereto, shall, upon surrender of any subsequent contract or policy, be entitled to payments under the prior contract or policy: *Provided further,* That this section shall be deemed to be effective as of April 6, 1917, and applicable from that date to all contracts or policies of insurance.

SEC. 25. That section 311 of the World War veterans' act, 1924, as amended (sec. 512b, title 38, U. S. C.), be hereby amended to read as follows:

"SEC. 311. The director is hereby authorized and directed to include in United States Government life (converted) insurance policies provision whereby an insured, who is totally disabled as a result of disease or injury for a period of four consecutive months or more before attaining the age of 65 years and before default in payment of any premium, shall be paid disability benefits at the rate of $5.75 monthly for each $1,000 of converted insurance in force when total disability benefits become payable. The amount of such monthly payment under the provisions of this section shall not be reduced because of payment of permanent and total disability benefits under the United States Government life (converted) insurance policy. Such payments shall be effective as of the first day of the fifth consecutive month, and shall be made monthly during the continuance of such total disability. Such payments shall be concurrent with or independent of permanent total disability benefits under the United States Government life (converted) insurance policy. In addition to the monthly disability benefits the payment of premiums on the United States Government life (converted) insurance policy and for the total disability benefits authorized by this section shall be waived during the continuance of such total disability. Regulations shall provide for reexaminations of beneficiaries under this section; and, in the event that it is found that an insured is no longer totally disabled, the waiver of premiums and payment of benefits shall cease and the United States Government life (converted) insurance policy, including the total disability provision authorized by this section, may be continued by payment of premiums as provided in said policy and the total disability provision authorized by this section. Neither the dividends nor the amount payable in any settlement under any United States Government life (converted) insurance policy shall be decreased because of disability benefits granted under the provisions of this section. The payment of total disability benefits shall not prejudice the right of any insured, who is totally and permanently disabled, to total permanent disability benefits under his United States Government life (converted) insurance policy: *Provided,* That the provision authorized by this section shall not be included in any United States Government life (converted) insurance policy heretofore or hereafter issued, except upon application, payment of premium by the insured, and proof of good health satisfactory to the director. The benefit granted under this section shall be on the basis of multiples of $500, and not less than $1,000 or more than the amount of United States Government life (converted) insurance in force at time of application. The director shall determine the amount of the monthly premium to cover the benefits of this section, and in order to continue such benefits in force

the monthly premiums shall be payable until the insured attains the age of 65 years or until the prior maturity of the policy. In all other respects such monthly premium shall be payable under the same terms and conditions as the regular monthly premium on the United States Government life (converted) insurance policy."

During the reading of the bill the following occurred:

Mr. ARNOLD. Mr. Speaker, this bill is new to all of us. I think the Clerk should read the bill so that we can follow it along and get the information it contains.

The SPEAKER. The Clerk is reading the bill.

Mr. ARNOLD. The Clerk has not been reading all the bill.

The SPEAKER. The Clerk will continue the reading of the bill.

The Clerk concluded the reading of the bill as above recorded.

The SPEAKER. Is a second demanded?

Mr. RANKIN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RANKIN. Yes; certainly.

The SPEAKER. The gentleman from Mississippi is opposed to the bill and demands a second.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

Mr. RANKIN. Mr. Speaker, I wonder if we could agree on an extension of time.

Mr. JOHNSON of South Dakota. I think it is entirely unnecessary, Mr. Speaker. I may state that the Finance Committee of the Senate is meeting at 3 o'clock to consider this bill. The gentleman from Mississippi has always been saying "Take care of these boys."

Mr. RANKIN. We would like to have a little time to find out what is in the bill.

Mr. JOHNSON of South Dakota. I can not educate the gentleman on the bill. The report is before the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

A second was ordered.

The SPEAKER. The gentleman from South Dakota is entitled to 20 minutes and the gentleman from Mississippi 20 minutes.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield three minutes to the gentleman from Pennsylvania [Mr. SWICK].

Mr. SWICK. Mr. Speaker, ladies and gentlemen of the House, I asked for these three minutes that I might insert in the RECORD a telegram from the national commander of the Veterans of Foreign Wars of the United States, Hezekiah N. Duff, and also one from the commander of District of Columbia Department, No. 1, Veterans of Foreign Wars, in Washington, D. C., William L. Thomas. The telegram from Mr. Thomas is as follows:

In accordance with the action of our national commander in his telegram of yesterday, District of Columbia Department, No. 1, Veterans of Foreign Wars of the United States, heartily indorses your action on the pending veterans' relief act. It also indorses the proposed action of the Republican caucus as announced in the local press to pass the pension act at this session of Congress.

The telegram from Mr. Duff reads:

In anticipation of caucus to consider pending veterans' legislation tonight, permit me as commander in chief to emphasize once again that the Veterans of Foreign Wars of the United States is primarily in favor of legislation that will achieve the greatest amount of good for the greatest number.

That is exactly what we have been anxious about during this entire session of Congress. We have been interested in granting some relief to the greatest number of ex-service men. I was very much interested to hear the majority leader [Mr. GARNER], for whom I have the highest regard, make this statement only a few moments ago:

I have never been any fool about soldier legislation. I did not vote for the original compensation. I do not think we owe any such great duty to those men, especially those who remained in the United States, and I am no fool about it.

Reading further from this telegram:

We believe this can only be achieved through adoption of a World War service pension for all disabled veterans not entitled to compensation under present law and regulations as embodied in your proposed measure known as H. R. 9687. Any other legislative measure this Congress may adopt will only constitute piecemeal legislation. A comparatively small number of veterans will be benefited by the measure passed by the Senate Monday, which also constitutes a discrimination against a vast number of overseas veterans who make up our membership. Legislation not based on the pension theory is piecemeal in effect, exorbitant in cost for the comparative good accomplished, and offers no definite policy for the future. A World War service pension for disabled veterans is the only logical solution of existing difficulties, and this organization has unanimously expressed its stand in this regard during its past three national encampments.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. LUCE], who will open the discussion of the bill. [Applause.]

Mr. LUCE. Mr. Speaker, as a member of the majority of the Committee on World War Veterans' Legislation, I am gratified by the vindication of its judgment that has just been given to it by four-fifths of the Republican Members of this House. [Applause.]

I am also gratified that the desires of the American Legion, as officially expressed to us, are going to be met by the legislation that will be enacted. The Legion, through its national commander and its spokesmen here, has from the start told us of its desire for certain legislation. In reviewing the various forms the measure has taken, the commander has repeated that wish. The granting of it was within the four corners of the bill as reported by the committee, as it passed the House, as it was reported from the Finance Committee of the Senate, as it passed the Senate, and it is within the four corners of this new bill. The commander says that anything beyond this would be the responsibility of Congress. We have taken that responsibility, going beyond the Legion program; but, remember, we are giving the Legion what it officially asked.

State organizations of the Legion and local organizations, misinformed, misunderstanding the situation, have requested Members of the House to do certain things, and in some cases, I think, have in response received committals that have now proved embarrassing. Were it not for them I am sure that all the Republican Members of this House would stand behind the unanswerable arguments of the President of this country. [Applause.]

It was not through choice that any Republican member of the Committee on World War Veterans' Legislation invoked partisanship. Through the early years of its existence Republicans and Democrats on the committee forgot their party differences, worked in harmony, reconciled honest differences of judgment as best they could. With this Congress the atmosphere changed. The minority Members began acting and voting as a unit. There soon appeared ground for the belief that they were deliberately seeking to put their party in the position of being the friend of the soldier. The partisan appeal was spread through one side of the House itself. When the committee bill came on the floor, and had by preposterous amendments been swollen to ridiculous proportions, every Democrat but one voted against making its enactment finally possible through a motion to recommit, and all Democrats but two voted for its passage. To-day 136 Democrats have just voted to overthrow the President's veto, and only 3 have given him approval.

Sir, ours is a government of parties. Through very much of our work no partisan controversy arises, but once in a while there comes a great question of policy, or a great question of principle, which brings back to us the recollection that we Republicans were intrusted with the Government of this country during the time of our service and that to us the country looks for responsibility. The leader of the Democratic Party here has thrown down the gage of battle. I take it up. [Applause.] The Republicans will go before the country this fall and tell them that we refused to deceive them; we refused to give them a falsehood; we refused to be led away to false gods but stood for truth and honor and fair play. If we are then not vindicated at the polls, we shall at least have the consolation of our consciences in that we have made it the Republican policy to deal fairly with all the soldiers, to make no discrimination, to give no unjust preferences, but to treat all of each class alike, extending equitably the bounty of the Government, the generosity of the Government, the pledge of faith of the Government to all those who made the sacrifice of service in the war. [Applause.]

Mr. RANKIN. Mr. Speaker, in the beginning I wish to say that I have looked up the RECORD with reference to the colloquy between myself and the gentleman from Nebraska [Mr. SIMMONS] and I find I was in error. He was right. He voted to override the veto of the Spanish-American War pension bill, and in justice to him I make this correction.

Mr. SIMMONS. Will the gentleman yield?

Mr. RANKIN. I ask the gentleman not to take up my time.

Mr. SIMMONS. The stenographic report shows the gentleman as stating that I have been against veterans' relief.

Mr. RANKIN. I told the gentleman I would correct that error.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a telegram just received from the Disabled American Veterans of the World War in session in New Orleans.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent to extend his remarks by inserting a telegram. Is there objection?

There was no objection.

The telegram referred to follows:

NEW ORLEANS, *June 26, 1930.*

Hon. JOHN E. RANKIN,
House of Representatives, Washington, D. C.

Resolutions

"Whereas it is true veterans' relief legislation as sponsored by the President will actually include more men for service connection for service disability than the Rankin bill, but

"Whereas there are not less than 50,000 totally disabled men suffering with disabilities comprehended in the Rankin bill, and

"Whereas these totally disabled men are objects of charity and they and their families are dependent on the communities in which they reside, and

"Whereas a large percentage of the cases comprehended in the legislation indorsed by the President are able to earn a livelihood, and

"Whereas the same legislation would not actually care for the more severely disabled men: Therefore be it

"*Resolved,* That the delegates of Tenth National Convention of the Disabled American Veterans of the World War assembled in New Orleans, La., go on record as indorsing the Rankin bill and that telegraphic communications be addressed to the Hon. NICHOLAS LONGWORTH, Speaker of the House of Representatives; Hon. JACK GARNER, House minority leader; and Hon. JOHN E. RANKIN urging them to exert every possible effort to secure final passage of the Rankin bill."

Unanimously adopted by the Tenth Annual Convention, Disabled American Veterans of the World War.

WILLIAM J. MURPHY, *National Commander.*

Mr. RANKIN. Mr. Speaker, you asked me if I was opposed to this bill. My answer was that I am opposed to it, but I am going to ask my colleagues to vote that it may go through the House and go to the Senate, in order that it may be there amended to give relief to our uncompensated disabled veterans of the World War, which this bill does not do.

I wish, Mr. Speaker, to address my remarks to section 200, and especially to that pauper provision in the bill, which applies to tubercular and neuropsychiatric cases, those unfortunate men who have broken down since the war closed as a result of their strenuous services in the World War. I call your attention to the fact that under this denatured Johnson bill you not only deny to them the full provisions of compensation, but you require them to plead their poverty and then, in order that there may be no doubt about it, make just enough allowance for them to keep them paupers and cause them to live a pauper's life.

To those tubercular men who came out of the service with affected lungs or with a slight cough, those patriotic American soldiers who fought the battles on and on and tried to keep from asking for relief until after 1925—by your votes to-day you have shut the door of hope in their faces and said to them, "You can either die or take the pauper provisions of this bill," which would allow those, with a 50 per cent disability, the small compensation of $18 a month.

To the man who enlisted and went through the stress and strain of the training camp, who went through the mud and mire and hell of the battle front, who went over the top in the face of withering gunfire, inhaling poison gas—you said to him by your vote a while ago, "We will turn you out with a small pittance of $18 a month, and make you prove your poverty in order to get that." This was on the roll call that you had to sustain the veto in order that you might bring this monstrosity before the House.

You say by your vote, to the man who has paralysis, the man who has rheumatism, the man with cancer, "You are not only going to have to prove your poverty before you can get a nickel, but we are going to see that you are kept in poverty by allowing you the small pittance of not more than $18 a month, and then only so long as you can prove such disability."

Listen. I want to see the names of the men who cast such votes a while ago and who voted for the emergency officers' retirement bill a few years ago, to give a colonel with a 30 per cent disability $281 a month; to give those men $3,000 or $4,000 a year, some of whom, as I showed in the RECORD of April 10, are drawing salaries up to $10,000, some of whom, I showed, have as large law practices or as large medical practices as members of their professions in the United States—I want to see the names of the men who voted a while ago to condemn these tubercular men, these men with cancer, these poor, unfortunate men with nervous trouble, to living deaths on the small pittance provided by the pauper provision of this Johnson bill, that none of you has ever read and none of you has one idea what is in it—I want to see your names in the RECORD along with your votes on these two measures.

We are going to send this bill to the Senate, and when it comes back here it is going to be amended, and these iniquitous provisions are going to be stricken out. We are going to take care of these tubercular men and men suffering from other chronic diseases if we have to keep you here all summer. [Applause.]

The telegram to which I have referred is from the Disabled Veterans of the World War, which represents the men who are really disabled, coming from every nook and corner of the United States. They appeal to you for relief. Yet to-day, by a vote of 188 to 182, you turn these men down under a promise that you would bring in some kind of an innocuous, denatured veterans' relief bill, which you have now done, and which you now propose to pass under suspension of the rules. Under section 200 of the bill just vetoed we would have taken care of these men who are now suffering from tuberculosis, and whose children are invariably dependent upon charity; by your vote you have denied them enough to live decently, when the American people in every State in this Union have appealed to you to lay aside your politics, to lay aside your prejudice, to lay aside your reverence for the "big stick," and vote to give these unfortunate men a reasonable measure of compensation in order that they may live decently and in order that their wives and children may be properly cared for.

I regret I have not time to analyze this bill, but we have not even had time to read it. It is a different bill from the one you handed to us when you started this debate a few moments ago.

Mr. McCORMACK of Massachusetts. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK of Massachusetts. I notice this bill does not include any pension for widows and children of deceased World War veterans.

Mr. RANKIN. Oh, no. This bill goes back and takes up the provisions of the old Johnson bill, which you repudiated by your vote here, 324 to 49, before the Secretary of the Treasury told you "where to head in." [Applause.]

Mr. BANKHEAD. Will the gentleman yield?

Mr. RANKIN. I will certainly yield to the gentleman from Alabama.

Mr. BANKHEAD. As the gentleman has stated, we have had no opportunity to analyze the provisions of this bill, but we have been furnished with what purports to be an analysis of the bill. It is not signed, and I assume it has not been acted upon or considered by the committee. Does the gentleman know who prepared this analysis of the bill?

Mr. RANKIN. I never heard of it before, I will say to the gentleman from Alabama [Mr. BANKHEAD]. I am the ranking Democrat on this committee and I did not know there was such a document.

If it had not been for the fight we Democrats have made, you would not have had any veterans' relief legislation at all. One Member told me just before I took the floor that if it had not been for my efforts in this fight and the efforts of those associated with me these unfortunate men would not have received any measure of relief for possibly 15 years.

It is true they will get very little relief under this bill which you are now forcing through under suspension of the rules. You deny us any opportunity to change or amend it. You are afraid that we will inject a little humanity into it and give these poor, unfortunate veterans some measure of assistance.

Your action in bringing this bill in here and forcing it through in this manner, without giving us any opportunity to amend it, is one of the most outrageous abuses of legislative prerogatives ever indulged in by the party in power in the history of the American Congress.

We shall not oppose it. We expect to let it go through in order that when it gets over to the Senate, where the gag rules do not apply, they will amend it by inserting provisions which will take care of these unfortunate men who served their country in times of war and are now unable to defend themselves in times of peace. [Applause.]

I reserve the balance of my time.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that all Members of the House may have five legislative days in which to extend their own remarks on this legislation.

Mr. RANKIN. Mr. Speaker, reserving the right to object——

Mr. JOHNSON of South Dakota. The gentleman has just secured that permission for himself, without any objection.

Mr. RANKIN. Oh, no; I just reserved the remainder of my time and asked for permission to extend the remarks I made on the bill. I have no objection to those who speak on the bill extending their remarks, but they are going to have to do so much "remarking" on this bill when they go home, Mr. Speaker, that I do not think we ought to grant this request. Besides, the votes speak for themselves, and that is all the boys will want to see. Therefore I object.

Mr. BANKHEAD. Will the gentleman from South Dakota yield for a question? I assume this statement, which I hold in my hand, and which is called an analysis of the bill, was prepared by some one in authority?

M. JOHNSON of South Dakota. I think it is accurate.

Mr. BANKHEAD. Will the gentleman inform us who prepared this analysis?

Mr. JOHNSON of South Dakota. Several people contributed to its preparation. Parts of it were prepared by the committee on the original bill at the time the bill passed the House on April 24.

Mr. BANKHEAD. In effect, then, this was prepared by the Veterans' Committee?

Mr. JOHNSON of South Dakota. It was prepared by the Veterans' Committee, by the chairman of the Veterans' Committee, with the assistance of the bureau and with assistance from many sources, and it is accurate.

I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, the opportunity presents itself to-day to every Member of the House to do one of two things—either play practical politics and do something for himself, or else to lay politics aside and do something constructive for the benefit of the disabled veterans of his district. Again, the opportunity presents itself to either send to the veterans of your districts a political speech in a franked envelope, or else to send the veterans of your district a Government check in a Veterans Bureau envelope. [Applause.]

There seems to be confusion not only as to what is in the bill but as to existing law and what has been done for the veteran, as well as what it is intended to do for the veteran. For the purposes of compensation, compensatory and pension laws, veterans must necessarily be divided into two classes: First, the veteran who has been disabled by reason of his military service, and, second, the veterans who having rendered military service have become disabled subsequent to such service but not as a result of their military service. This classification is necessary in order that the Government may properly meet its obligations. It is not made or even referred to in any sense of belittling or disparaging the veterans who fall under the second classification. A veteran might not have been overseas or in actual combat, and yet his disability may be the direct result of his military service—what is known in the language of the veteran and the Veterans' Bureau as service connection. He is entitled to full compensation now provided in the law. A veteran might have been overseas and in actual combat, yet not injured and discharged with no disabilities and may have become disabled by disease or accident since his discharge from military service. He would fall into the second classification, and inasmuch as he could not establish service connection would be cared for in accordance with the bill now before the House under a pension system.

The Government owes a binding obligation to compensate the veteran who has become disabled by reason of his military service, and is doing so at this very moment. Our Government has established a custom of expressing gratitude to the veteran who was willing to incur the risk of war but was not disabled and who has become disabled since his discharge from the service, though not as a result of his military service. The bill before you now provides for this class of veterans who are disabled, but not through service connection. To the one the Government is under binding obligation; to the other the Government willingly and cheerfully expresses in a material way its appreciation.

We are concerned to-day with the veterans who have become disabled since their discharge from the military service but not disabled by reason of their service. This must be kept constantly in mind. The veteran who through service connection has been disabled may receive to-day, if he is permanently disabled, $100 a month, hospitalization, allowance for dependents, and, in cases where an attendant is required, an allowance for such attendant. Every case cited by the distinguished gentleman from Mississippi [Mr. RANKIN], for whom I have a great deal of affection, is a case of service-connection disability. Such cases are amply provided for under existing law. For instance, he describes the boy who was discharged from the Army coughing from tuberculosis. Clearly that is a service-connected case, and such a veteran would receive full compensation of $100 a month and allowance for dependents. Mr. RANKIN refers to the boy who went over the top and who subsequently had become shell shocked. That is a clear case of service connection, and he would receive full compensation under the law. I know that there are many border-line cases, and in all cases where there is a doubt it is the duty of Congress that the doubt should be decided in favor of the veteran. [Applause.]

We do more than that in this bill. Let me read something which seemingly has been overlooked by the critics of the bill, a provision which will take care of every border-line case where there is a doubt as to service connection. The gentlemen will find the proviso at the bottom of page 2:

Provided, That regulations relating to the nature and extent of the proofs and evidence shall provide that due regard shall be given to lay and other evidence not of a medical nature.

Every Member on the floor to-day who has had experience with veterans' cases—and everyone has—will readily see that this will give the veterans the opportunity of submitting evidence outside of medical evidence, the only evidence admitted to-day, to prove his service connection, and everyone knows that that will greatly and materially facilitate the veterans in establishing service connection and coming under the provisions of existing law.

I have heard a great deal of talk among Members as to tubercular veterans. Tubercular veterans are fully provided for under existing law and in the bill now before the House. I will read the section:

That any ex-service man shown to have a tuberculous disease of compensable degree, and who has been hospitalized for a period of one year, and who, in the judgment of the director, will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not, in the judgment of the director, feasible for training, shall, upon his request, be discharged from hospitalization and rated as temporarily totally disabled, said rating to continue for the period of three years: *Provided, however*, That nothing in this subdivision shall deny the beneficiary the right, upon presentation of satisfactory evidence, to be adjudged to be permanently and totally disabled.

With the opportunity of submitting lay and other evidence, many of the veterans who had influenza in the service, who had a cold in the service, who were submitted to constant exposure, and who are now afflicted with tuberculosis, will be able to establish a service connection and obtain full compensation. If a tubercular veteran is a case where clearly the disease was contracted since his discharge he would be totally permanently disabled and would come under the provisions of the bill now before us and be retired with full pension.

Let me also point out that disposing of all of these cases as provided in the bill, once the veteran is on the pension roll and is not subjected to any further examinations, the bureau will then be free to devote more time and give better attention to all the new cases applying for compensation.

Comparison has been made by critics of the bill as to the rate of pension allowed in this bill with the rates recently allowed the veterans of the Spanish War. But bear in mind, gentlemen, that there is an average difference of 25 years of age between the veterans of the World War and the veterans of the war with Spain. The 25 per cent disability is a far greater handicap to a man of 55 years or 60 years of age than it is to a man of 25 or 30 years of age. [Applause.] Besides, also bear in mind that the Spanish War veteran waited a great many more years before obtaining his first pension bill. It was far less than the provisions and the rates contained in the present bill. If, after 12 years, the World War veterans will have obtained a pension law with the rates contained in the present bill, 25 years from now they will be far ahead in the way of rates of pension than their brothers of the Spanish War are to-day.

For every veteran who has been disabled by reason of his military service full and complete compensation under the existing law will continue; for every veteran who now does not receive one cent of compensation by reason that his disability is not of service connection will, if this bill is passed, be permanently placed on the pension roll. Considering the parliamentary situation—honestly considering all of the facts—I am convinced that the veterans of the World War, when they understand this bill, will be satisfied. All disabilities of nonservice connection should be considered if we consider one of them. That is exactly what this bill does.

I believe that I understand the attitude of the ex-service man; my knowledge of his hardship has not been obtained from a book. I have stood by the ex-service man on every proposition that came before the House. No one can charge me with being influenced by the demand of regularity. I vote according to my convictions. That being so, I call upon every ex-service man

of the House, the entire membership of the House, to vote for this bill.

Mr. RANKIN. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker and ladies and gentlemen, in two minutes I can not go into this subject at any great length. I intend to vote for this bill with the expectation, almost knowledge, that when it goes over to another body the amendment of Senator WALSH of Massachusetts to bring the present rates in this bill up to the Spanish War veterans' law rates undoubtedly will pass the Senate; also, a provision will be put in the bill which will take care of the dependent widows and children.

Then I admit it will be a good bill, and if my vote and voice can help, I shall do everything in my power to keep Congress in session, if necessary, not only all this summer but all next winter until we pass veterans' legislation that is fair and just to the disabled men of the United States. We have had the usual prophecy from the Secretary of the Treasury of a deficit in the Treasury, which prophecy is always imparted to us every time that veterans' legislation comes before the House. These dire prophecies never are put out except when there is a possibility that the veterans are to obtain something, but in spite of the prognostications of Mr. Mellon, I have no doubt that whatever bill the House and Senate pass, whether it provides for $100,000,000 or $400,000,000, we will find that after July 1 we will have a surplus in the Treasury of perhaps two or three hundred million dollars, as we have had in the past eight years. I always take with a grain of salt these deficit predictions, especially since Mr. Mellon made his billion-dollar mistake in reference to the service men's adjusted compensation bill.

Therefore, in the hope and expectation that that great deliberative body at the other end of the Capitol will add proper amendments to this bill, which we under suspension of the rules are not permitted to add to-day, and will thereby make this a good bill for the service men and their dependents, it is my intention to vote for the bill. [Applause.]

Mr. RANKIN. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Speaker, I intend to vote for this bill, not because I think it is good legislation, for I regard it as bad legislation, but because it is this or nothing. If we are going to turn to pensioning the World War veterans, I am in favor of giving them the same amount of pension for the same degree of disability that we give to the Spanish-American War veterans. [Applause.] I would offer an amendment to make them the same—if I could—but no amendment can be offered. I have just about come to the conclusion since this veterans' bill has been vetoed and the veto upheld that we ought to abolish the Veterans' Bureau and place them all in the hands of the Pension Office. I believe the Bureau of Pensions would more nearly do justice to all the World War veterans than the United States Veterans' Bureau. On yesterday the House passed the best World War veterans' bill—that is, the Rankin bill—that Congress has ever passed. To-day it was vetoed by President Hoover. Immediately afterwards the veto was sustained by votes of Republican Members who on yesterday voted for it. A bill of this importance should not be considered under suspension of the rules, but should be considered in the regular way, so amendments could be offered. I sincerely hope that the Senate will improve this bill with amendments so that it will do justice to the World War veterans who have been so neglected and mistreated by the Veterans' Bureau. [Applause.]

Mr. CONNERY. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker and gentlemen, due to technicalities, thousands upon thousands of deserving veterans have been for 10 long years deprived of compensation which Congress originally intended they should have. Notwithstanding the severe criticism by the President of the bill that he has vetoed, I am of the opinion that it was not as vicious a bill as he charges. Otherwise it never could have obtained the unanimous vote of this House. But even if the House did make a mistake in voting for that bill we have accomplished one thing. We have brought about a condition whereby we are assured of some positive legislation in the pending bill, which very few Members know anything about. I was fortunate in securing a copy a short time ago, examined it hastily, and I shall vote for it, because I believe that when it reaches the other body that body will succeed in amending it in a way so that it will contain provisions that will give fair compensation not only to the deserving veterans but also to their widows and children.

Mr. Speaker and gentlemen, I have confidence in the Senate and feel when the bill is returned to us it will be a much better bill and therefore ask and advise that we vote for it.

The veterans in whom we are interested are entitled to relief. I am glad that finally we have forced the hand of those who opposed any and all legislation and that we will be able to vote for a bill that will bring a deserved relief to the 10-year-neglected men, their widows and children.

Mr. Speaker and gentlemen, I do not look with alarm on the often-repeated statement on the part of the Secretary of the Treasury, Mr. Mellon, about the shortage in the Treasury.

If only one-half of the Wall Street gamblers will pay the income tax from the tremendous gains they have made in selling short, we will have a surplus going into millions. It is unfortunate that Mr. Mellon is always so alarmed about the conditions of the Treasury when we aim or try to vote a pension and compensation to our veterans; such is not the case when he orders or grants refunds going into hundreds of millions to the steel and other trusts, or when he advocates the reduction of taxes of the excessively rich corporations and the multimillionaires that own and control them.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK of Massachusetts. Mr. Speaker, my views on the question of a pension bill for veterans of the World War, their widows and dependents, were stated by me when the original Johnson bill was under consideration in the House. At that time I came out flatly and absolutely in favor of a pension plan. At that time the House leaders could not see their way clear to support such a proposition. In view of the fact that they were unable to support such a bill at that time, I supported the bill which passed the House and which was sent over to the Senate for consideration.

The debates in the Senate show that when the bill as it passed the House was in the Senate Committee on Finance for consideration a pension plan was proposed by Senator DAVID I. WALSH, of Massachusetts, an outstanding friend of the veteran, and that it was considered favorably by the members of the Senate committee. The debates strongly indicate that a pension plan as proposed by Senator WALSH was tentatively reported out of committee. The debates further show that some influences were exerted to prevent the reporting of a pension plan at that time, which influences were sufficient to prevent a pension bill being reported out of the Finance Committee. After the bill which was reported out of the committee was passed by the Senate and came back into the House, and apparently as a result of statements made by the President, General Hines, Director of the Veterans' Bureau, and Secretary Mellon, of the Treasury, the administration changed their minds and decided to support a pension bill. It is a well-known fact that when the World War Veterans' Legislation Committee of the House first reported the Johnson bill into the House, and a suggestion of a pension bill in lieu thereof was made by me, it was stated that a pension bill would not pass for many years to come. I could not agree with that position at that time, and I am glad to see that the principle of a pension plan that I then suggested is incorporated into the pending bill.

When the original Johnson bill was pending before the House I urged its passage because under the rules of the House an amendment proposing a pension scheme could not be made. I stated, however, that I felt that a fair and equitable bill, providing pensions for veterans of the World War and a widow and minor children of a deceased veteran, would be the best and fairest plan, establishing a definite policy which would not require any change except that in later years the benefits thereunder would be increased as veterans grew older.

During my remarks on that occasion I also stated that the present rights of the disabled service-connected veteran should not be disturbed, and that he, if he so desired, should be able to elect whether he would continue to receive compensation for service-connected injuries, or the pension that his disabilities would entitle him to under a pension law. This right of election would have enabled a veteran who is service-connected for certain disabilities, but who is not service-connected for other disabilities, the total of which disabilities would entitle him to a larger pension than he is receiving as compensation, to elect to take the larger amount. In other words, a man might be 15 per cent service-connected for disability, and he might have other disabilities which are not service-connected that would make him permanently disabled within the meaning of a pension law. Unless he had the right of election, he would be compelled to take $15 or $18 per month as compensation, whereas under this bill he would be entitled to at least $40 per month, and more if his condition is such as to require constant care and attention.

While I favor the principle contained in this bill, I am not in agreement with some of its provisions. Unfortunately, under the rules under which we are considering this bill, amendments

can not be offered. We have got to either accept or reject the bill in its entirety. Believing in the principle incorporated in this bill, and feeling that it is the best that can be obtained, so far as the House is concerned, I am constrained to vote for its passage, with the hope that the Senate will make amendments that the World War veteran, his widow, and minor children are entitled to. If the rules under which we are considering the bill would permit of my offering an amendment. I would move that the minimum pension allowed for a 10 per cent disability be $20 per month, and that the maximum amount be $60 per month, with a provision for higher pensions in the case of men who require care and attention. I am in hopes that such an amendment will be offered in the Senate. Such a proposal was suggested by Senator WALSH in the Senate Committee on Finance, and I sincerely trust that the able and distinguished Senator, who is the leader of my party in my Commonwealth, and whom I unreservedly recognize as the leader of my party, will offer the same amendment and that it will be adopted in the other branch.

I also exceedingly regret that the present bill does not give consideration to the widow and minor children of a deceased veteran, whose death is not connected with the service. Under the existing law, a veteran who receives the great call, and who leaves behind him a widow and minor children, or other dependents, and whose death is the result of wounds, injuries, or disease which are service-connected, the widow is entitled to receive a certain sum each month, which is called "death compensation."

My experience, and I am sure the experience of other Members of this body, has been that only in a small percentage of cases of veterans who die are the deaths connected up with the service. This means the widows and minor children of all other deceased World War veterans receive no consideration from the Federal Government.

I am absolutely in accord with the principle of the pension legislation relating to the veterans of the Civil and Spanish-American wars, that upon their death their widows and minor children should receive pension consideration. If the principle is correct in its application to the widows and children of deceased veterans of all other wars, it is equally correct to apply it to the widows and minor children of deceased veterans of the World War. Already thousands of World War veterans have died, and during the last three years such deaths have averaged 43,000 yearly. Of those who have died, leaving a widow and minor children, or other dependents, the deaths of only a small percentage are connected with service. Assuredly, a widow and minor children of a deceased veteran of the World War is or are just as much entitled to a pension now as similar dependents of deceased veterans of other wars. I am in hopes that the Senate will, in its wisdom, see fit to adopt an amendment providing a pension for such a worthy and deserving class.

I also note under the terms of the present bill that a disabled service-connected veteran will not lose his present legal rights and that if, under the pension bill as pending, if it becomes law, his pension will be greater than the amount he now receives as compensation, he can elect to take the greater amount.

Mr. GRANFIELD. Will the gentleman yield?

Mr. McCORMACK of Massachusetts. I certainly will yield to my distinguished colleague from Massachusetts.

Mr. GRANFIELD. I have listened to the remarks of my distinguished friend and colleague, and I want to say that I am absolutely in accord with the views expressed by him, and also by my distinguished colleague from Massachusetts [Mr. CONNERY], who spoke along the same lines a few moments ago. It is my intention to vote for this bill, in the hope that the Senate will adopt an amendment which will increase the pensions that veterans will receive to the amount which Spanish War veterans now receive, and particularly that the Senate will adopt an amendment providing for a pension for a widow and minor children of a deceased World War veteran, a class that so richly deserves and needs it.

Mr. McCORMACK of Massachusetts. I want to thank my friend, Mr. GRANFIELD, for the able contribution which he has just made. I also want to state to him that his district ought to be proud of its representation. This is the first opportunity I have had on the floor of Congress to congratulate his district on the excellent judgment they exercised in selecting such an outstanding character and a man of such keen intellect and unlimited courage to represent them.

To conclude, Mr. Speaker, I have in mind the action of the Congress in passing the recent Spanish War pension bill increasing the amount that they received prior to June 2, 1930. I consider it very unfortunate that the Spanish War veterans did not receive years ago the consideration which the recent bill gives them. The fact that they did not receive at a time when they should have the consideration of a grateful country, and as outlined in a recent bill which was passed over the President's veto, is no reason why the World War veterans should start in at the rates of pension prescribed in the pending bill.

If I had an opportunity to offer an amendment, not only would I attempt to have one adopted that would take care of a widow and minor children of a deceased veteran, but I would offer an amendment which would give to the disabled veteran of the World War the same rights that veterans of the Spanish-American War enjoy under the recent law. Such a plan, with the reservation as provided for the disabled service-connected veteran to elect whether he will continue to accept compensation under existing law, or to come under whatever pension bill we may pass, if it becomes law, would be a piece of legislation that would be more satisfactory than the present one and, in my opinion, would meet with the approval of the American people.

I shall vote for the passage of this bill with the hope and expectation that the Senate will amend it so that greater benefits will be given to the veterans who will come within the purview of such a law, and give to the widow and minor children of a deceased veteran pension consideration. [Applause.]

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield now to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, when the bill vetoed by the President is thoroughly understood by the veterans there will be no dissatisfaction. Since the bill passed the Senate I have carefully examined my files, cases where the bureau has denied compensation, and find that about 1 in every 5 would have been taken care of under the bill as sent to the President. Although all five might be suffering and be equally disabled still one suffering from a disease covered by the presumptive clause would be recognized while the other four whose disease was not covered would receive no compensation.

I was opposed to the original bill as reported to the House and also to the Rankin bill because both took care of a class of veterans leaving the great majority uncared for. Therefore when the measure was before the House I offered an amendment which placed all disabled veterans on a parity. My amendment carried and was in the bill when it reached the Senate but was deleted with other important amendments by the Finance Committee.

I stated when the bill was pending in the House, the bill would never solve the question, and that in my opinion a liberal pension bill, something along the line of the law governing Spanish War cases, would ultimately be, and should be enacted. I introduced the first World War pension bill in this Congress, June 29, 1929. February 8, 1930, the so-called Swick bill was introduced, and I have since supported that bill, it being more liberal than mine.

I might say I have talked with the Washington representatives of the Veterans of Foreign Wars, and they are in favor of the pension system. I also talked with representatives of the American Legion, and they too stated my view was right, that a pension would be far more satisfactory as it would mean equal treatment for all, but they were bound by their national convention and would support the amendments to the veterans' law.

I do not think any Member of Congress handles more veterans' cases than I do. I average no less than 20 a day, handle them personally and have been doing this for years. Naturally, I should know something about the law as well as administration of the law.

As soon as the bill passed the Senate I spent hours looking into its features and examining cases of my constituents not now compensated, who seek relief. The bill extends the presumptive class of the act of 1924 to January 1, 1930, in place of January 1, 1925. Only certain diseases are included in the presumptive class. My amendment to the bill placed all in the presumptive class, my viewpoint being to treat all veterans alike. That amendment being eliminated, I find only one out of every five veterans whose case I have, would be recognized.

The bill contained so many equalities without my amendment I could not conscientiously favor it when there is an opportunity to get a law that will extend equal treatment to every veteran who is disabled.

As an example of what would have happened under the bill vetoed, take five veterans living in the same neighborhood in my district. One gets compensation, the other four would be denied compensation. One veteran would be satisfied, four would be dissatisfied.

Below will be found a list of diseases from which veterans whose cases I have handled are suffering who would not be

recognized under the bill vetoed by the President: Bronchitis, asthma, bronchical asthma, in nearly every instance the men claiming to have been gassed in the service, but the bureau has not recognized their claim; diseases of the eye, even to total blindness, unless the total blindness was due to a misconduct disease contracted during the period of the man's service; defective hearing, even though the veteran be totally deaf; pleurisy, kidney disorders other than nephritis, various diseases of the stomach, fistula, hemorrhoids, hernia, varicocele, hydrocele, varicose veins, sinusitis and all sinus disturbances, defects of speech other than congenital; gastritis, pancreatitis; cystitis, a very common disease of the bladder; prostatitis, unless the disability is due to willful misconduct; diseases of the tonsils; phlebitis, a common disease of the leg; colitis, diarrhea, ordinary dysentery; enteritis, a very common disease of the stomach; only three of many heart disabilities are recognized; spondylitis and diseases of the spine; no dental disabilities are recognized, nor could any veteran receive dental treatment under the provisions of the bill who have no positive proof they were treated for the disability while in the service. Due to loss of dental records, thousands of men have been denied dental treatment by the Veterans' Bureau. There was no relief in this bill for them. Men diagnosed as constitutional psychopathic inferiority are denied recognition. In this class will be found tens of thousands of veterans, all of whom have never received compensation. Another outstanding injustice is where the veteran met with an accident and lost an arm or leg or both arms or both legs since his discharge. He is denied compensation, but under the presumptive clause his comrade who contracted rheumatism 10 years after his discharge would be entitled to compensation. Hundreds of other diseases could be listed as not being recognized, and in all it can not be assumed that as many as 25 per cent of the veterans now disabled and uncompensated would have been taken care of by the bill as it was sent to the President. They all would have been cared for under my amendment which was deleted from the bill in the Senate

The bill failed miserably to take into consideration as previous legislation has failed to give presumption of service connection when a presumption might properly be accorded. Take the man who developed bronchial asthma shortly after his discharge, and I have one such case. He is almost totally disabled by reason of such condition. Because presumption was not accorded to this disease he will continue as he has for 10 years to be refused compensation. The bill recognized dietary disturbances, and if the man died from such a disease his widow would receive compensation even though death occurred 10 years after discharge, while the veteran leaving a widow and orphans who died a year after his discharge of an acute condition such as pneumonia remained uncared for. Yet the same judgment which would accord service connection for a certain heart disability which developed in 1929 could with the same force and wisdom say that pneumonia, which terminated fatally, was contributed to by the weakened resistance of active service during the World War. There are many cases of men who are gunshot casualties maimed on the field of battle who have died of pneumonia or some acute condition, and the Veterans' Bureau has been unable to say under the present law and would be unable to say under the bill sent to the President that their service-incurred wounds or diseases were contributing factors to the cause of death, and as a result their widows and orphans are uncared for.

This is particularly true of the shell-shocked cases where the veteran died of some acute condition. Who can say a veteran whose mind was weakened by service in the war and compensated therefor did not occasion the loss of physical resistance to throw off acute diseases? The bill, if it had become a law in the form it was sent to the President, would have occasioned a spirit of unrest and dissatisfaction among a large majority of veterans who were not recognized. This unrest would be reflected in future years after its passage, because all constitutional diseases arising after January 1, 1930, would have remained uncompensated.

I firmly believe, as I have always believed, that recognizing all disabilities not now compensable under the veterans' act on a disability pension basis and caring for widows and orphans not now compensable will produce in the minds of veterans that extreme satisfaction that the Government has not given preference to a few and has been mindful of its pledge to care for all in need as a reward for services when the Government was in need.

The pension bill which passed the House immediately following the veto is not as liberal as I would like to see it, but I am mindful of the established policy in cases of this kind, namely, that the authors have left room for improvement by the Senate, and I am sure that when it returns from the Senate it will be much more acceptable. Its cost to the Government will be over $50,000,000 the first year. It is a step in the right direction and can be liberalized from time to time. Every veteran who would have been taken care of under the bill vetoed will be cared for under the substitute. The compensation will not be as high but they will be cared for.

Mr. CONNERY. Mr. Speaker, I yield one minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, the Rankin bill for the relief of disabled veterans of the World War, which the President has vetoed, and which by prearranged agreement the Republicans of this House have just killed by sustaining said veto with a vote of 188 to 182, is the only relief bill that this House has ever had an opportunity to help frame. All other relief measures coming before this House since the Committee on World War Veterans' Legislation was created, have been called up under a suspension of the rules, where only 20 minutes to the side was allowed for debate, and where none of the voluminous and important provisions could be changed in the slightest particular. These former bills thus passed have been machine made. They have been mostly prepared by hard-boiled bureau chiefs. Not even ranking members of the committee, much less any of the other 434 Members of the House, could change one word of the bills. This is the reason that technicalities have deprived thousands of totally disabled veterans of relief urgently needed and left them helpless with wives and children starving.

When this Rankin bill was passed by the House there were only 49 votes against it. If it had been a vicious, bad bill, would the Republican leaders of this House have allowed it to pass with only 49 votes against it, when the Republicans have a majority of over 100 Members in this House? If it were wasteful and extravagant, was it not the duty of the Republican leaders in this House, who now speak of their responsibility to the Nation, to have stopped its passage, and not given their approval to it, with only 49 votes against it, out of the total membership of 435 Representatives?

This Rankin bill thus went to another body. It was there carefully considered, first by a committee, and then by another body itself. Another body amended it, making its provisions even more favorable to disabled veterans. It was debated by it at length. Although Republican leaders of the House and administration spokesmen had had weeks to consider and ponder over the bill they had passed, none dared to take the floor and condemn it as vicious, or as extravagant, or as bad. They casually allowed adjournment to approach without a word of warning. They did not hold a Republican caucus. They did not hold a Republican conference. They did not swing their party lariat around the necks, or bulldog, or hog tie the rank and file, and place upon them the Hoover brand of subjection and obedience.

On last Monday, June 23, 1930, another body amended and passed this Rankin bill by a vote of 66 to 6, or 11 to 1. Out of 96 who had the privilege of being present and voting, only 6 personally voted against this bill. Does Mr. Hoover expect the country to believe that a vicious, bad, extravagant, ruinous bill could thus pass any body of the United States Congress, after being carefully considered for weeks and debated at length, with only six personally voting against it?

Then, on yesterday, June 25, 1930, this House, by unanimous vote, concurred in all of the Senate amendments, and this Rankin bill, thus finally passed, went to the White House for slaughter. But it went there well recommended. Only 49 Members had voted against it when it was passed by the House. Only six Members of another body had voted against it when it was amended and passed. And not a Member of the House had voted against concurring in the Senate amendments, but the bill was finally approved yesterday by the unanimous vote of the House.

And now it is dead. A Republican President vetoed it. And the Republicans of this House, under the command of their President, have slaughtered it.

There are three separate, distinct branches of government, Mr. Speaker. One is the Congress. It has upon it the burden and responsibility of passing our laws. The second is our courts. They have the burden and responsibility of interpreting the laws passed by Congress. The third is the Executive. The burden and responsibility is upon the President to execute and enforce the laws. None of the three has the right to invade or interfere with the functions of the others. They are separate and distinct. We can not shift our responsibility to the people by the attempted excuse that the President insisted on us doing so-and-so. Obeying the mandate of the President does not warrant our laying aside our own judgment and convictions.

The President is afraid that this Rankin bill will cost over a hundred million. He asserts that it is not in accord with his financial program. What if it should cost a hundred million. Had the World War been prolonged one month it would have

cost many times this sum. It was these brave men, the disabled whom we are now seeking to succor and rehabilitate, who forced the armistice months before the most sanguine hoped for it to occur. They thus saved hundreds of millions of dollars. And they thus saved thousands of precious lives, possibly prevented hundreds of thousands from being maimed.

This Republican President, Mr. Hoover, and his Republican followers in this House, without the quiver of an eyelash recently granted to special-interest-recipients of the tariff one thousand million of dollars in gratuities. That was within the President's financial program. That was within the financial program of the Republican Party. That comes out of the pockets of the common people in what they eat, wear, and use in their homes and on their farms. This Republican Party, through its Republican President and administration, has since the war granted to large taxpayers refunds of taxes admittedly amounting to $1,191,000,000, of which $96,000,000 went to the United States Steel Corporation. That was within the financial program of the Republican President. None of his party followers have objected or criticized, or condemned him for it. If the projects authorized by the rivers and harbors bill are appropriated for, that bill will eventually cost the taxpayers of the United States approximately $250,000,000, yet we are told that it is within the financial program of the President, and that this Republican Executive will promptly sign it. No Republican caucus was held against it. No Republican conference consigned it to slaughter and death. Only when we send to the President a bill first passed by the House with only 49 votes against it, passed by another body with only 6 votes against it, and finally approved by the House with a unanimous vote, and which seeks to succor and rehabilitate helpless disabled ex-service men, does the President get scared, and becomes afraid that it might cost over a hundred million, and caucuses are called, and conferences are held, and Republicans do his bidding, killing the bill.

Now, by this rule just passed, we are again asked to pass a relief bill under suspensions of the rules, with only 20 minutes of debate to the side, and with the membership knowing nothing of its contents, and without their having time to analyze it and find out what it all means, and with no Member having the privilege of offering a single amendment to it.

I brought forth from the chairman of the Rules Committee [Mr. SNELL] that it can not be changed in any way, that we can not even dot an "i" or cross a "t" in it, but must vote for it just as it is, machine-made as usual, and assume that it helps the disabled. Of course, all of us will vote for it. We have no other alternative. It is the only promise of any relief this session for the disabled.

Another body will, of course, properly amend it. It does not function under such gag rules. But what is this House going to do with it after it is properly amended? If the President is consistent, he will veto it again. I am one who is willing to stay here until a proper measure is passed over his veto. We passed the Spanish-American pension bill over his veto when only 14 Members voted to sustain him. And a proper bill should be passed over his veto by just such an overwhelming majority.

When these men went to France I was one of those who promised them we would care for the ones who came back. I am going to keep my promise to them.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CONNERY. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. GAVAGAN].

Mr. GAVAGAN. Mr. Speaker and ladies and gentlemen of the House, as one of the youngest Members of the House, and a World War veteran, I feel I would be recreant of my trust and unfaithful to my oath were I to permit this occasion to pass without comment on the scenes enacted here to-day. I, as well as many other veterans, have utmost trust and belief in the conscientiousness of Mr. JOHNSON, the chairman of the World War Veterans' Legislation Committee of this House.

However, one grows very morose when he beholds the spectacle as beheld here to-day, of Members offering apologies for their vote in favor of the passage of the veterans' relief bill and their contradictory vote to sustain the President's veto. Then, too, the spectacle of the majority Members rising and applauding the result of that vote reminds one very forcefully of the scene enacted in war days, as regiments marched away—there on the street curbs, could be seen the corpulent and opulent cheering on the braver youth, with boisterous promises to hold for them their places of employment until the return. When the day of return came, alas, the jobs were filled.

Here, yesterday, this House passed the veterans' relief bill with great gusto, but when the veto vote was taken many of these same gentlemen assumed contrary positions. When I hear the glib-tongued gentleman from Massachusetts [Mr. LUCE] attempt to explain the provisions of this new bill, H. R. 13176, I am reminded of the admonition of old "to beware of Greeks bearing gifts."

The pending bill is offered not from a sincere desire to aid and assist the World War veterans, but rather is an attempt to assuage his anger and ward off the day of reckoning at the polls. The proffered bill will not aid those veterans who are now suffering the results of war service and for whom Congress has failed to provide. The President in his veto message accompanying the World War veterans' relief bill, based his argument in the main on the basis of tremendous cost in carrying out the provisions of the bill. It is my contention that the bill now under discussion will prove a greater cost and burden in the final analysis than could the veterans' relief bill. The present bill is the basis for and is an out and out direct pension. Instead of the former bill, which took care of marginal cases, this new bill provides aid for every ex-service man whose disabilities were incurred in civil life and lays the foundation of a general pension system, which in time will prove a tremendous burden to the American people. In a very few years the experiences gained from the Civil and Spanish-American Wars pension systems will be realized through the pension provisions of this bill. I regret sincerely the failure of final passage in this House of the real disabled veterans' relief bill. While I intend to vote for the passage of this bill, I do so reluctantly and solely in apprehension lest this Congress pass no veterans' relief bill whatever.

At the outset of our entrance into the World War and ever since, the executive and legislative policy of our Government has been that soldiers of the World War would be protected; first, by insurance in case of death; and second, by compensation in case of injuries or disabilities incurred by reason of service. This policy of our Government is the antithesis of the policy proposed to be inaugurated by the provisions of this bill. No veteran or veterans' organization I have heard of has ever advocated the pension system for veterans of the World War. In fact, the New York department of the American Legion has advocated the beneficent provisions of the vetoed bill and opposed the contemplated pension provisions of the proposed one.

Under the parliamentary rule adopted this morning, no amendment of this proposed bill is possible from the floor of the House. Since one is unable to do aught but accept or reject the provisions of the bill I shall by my vote accept its provisions with a fervent hope that in the Senate the same may be suitably amended. In order, therefore, to give the Senate adequate time to consider and properly amend this bill, I shall by my vote, attempt to prevent the adjournment of the Congress until the passage of suitable World War veterans' legislation has been realized.

Ladies and gentlemen, responsibility for the passage or nonpassage of legislation must be placed squarely on the shoulders of the party in domination of the legislative branch of this Government. Therefore, every World War veteran in dire need of aid may thank the Republican Party of this House for its failure to properly heed this plea for such aid and assistance.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. JOHNSON of South Dakota. Mr. Speaker, how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. RANKIN] has three minutes, and the gentleman from South Dakota seven minutes.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield one minute to the gentleman from Ohio [Mr. MOUSER].

The SPEAKER pro tempore. The gentleman from Ohio is recognized for one minute.

Mr. MOUSER. Mr. Speaker, for the first time since the World War we have an opportunity this afternoon of establishing a pension system that will secure to every World War veteran suffering 25 per cent disability compensation at the hands of his Government, unhampered by red tape and technicalities.

These boys are now on an average 34 years of age. Eleven years after the World War we are getting a pension policy established such as took the Spanish-American War veterans 22 years to have established.

When the ex-service men throughout the country realize that every single disabled comrade of theirs can draw a pension, this legislation will be the most popular legislation that has been enacted into law. [Applause.]

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that each Member may be allowed five legislative days in which to extend his remarks on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

Mr. CONNERY. Reserving the right to object, Mr. Speaker, I dislike to object ordinarily, but the gentleman from Mississippi [Mr. RANKIN] objected, and therefore I will have to object.

The SPEAKER pro tempore. Objection is heard.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield one minute to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an editorial on the President's veto, by Mr. Louis Jaffee, the man who several years ago won the Pulitzer prize for the best editorial published in the United States that year, and editor of the Virginian-Pilot, one of the leading newspapers in Virginia.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent to extend his remarks by printing an editorial on the President's veto. Is there objection?

Mr. CONNERY. Reserving the right to object, Mr. Speaker, if it is remarks on the President's veto, I am forced to object.

The SPEAKER pro tempore. Objection is heard.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield one minute to the gentleman from Missouri [Mr. HOPKINS].

Mr. HOPKINS. Mr. Speaker, there are 61 Members of Congress who are veterans of the World War. Forty-five of these are Republicans, 15 are Democrats, and 1 is a Farmer-Laborite.

It is very interesting to note how these Members voted to-day. Fifty-eight Members who are veterans were present. Thirty-six voted to sustain the President, and 22 voted to override the veto. Furthermore, I believe I can safely predict that 95 per cent of the veterans present to-day will vote for the passage of the bill now under consideration.

It has been a source of great satisfaction to me to note the very evident intent of the membership of the House to deal fairly with the disabled veterans of the World War. During all of this debate this afternoon no Member has objected to the "costs" of legislation. This is as it should be. The thing for us to decide here is what is the right thing to do—the fair and equitable thing to do—and not "how much does it cost."

The bill that we shall pass this afternoon will extend aid to more than 200,000 veterans, while the bill that has just been vetoed would have aided only 70,000.

I have spent more than 15 hours this week going over cases of uncompensated disabled veterans of my district. I have taken 50 typical cases that I have worked on to see how many would be benefited under each bill. These veterans whose cases I examined come from St. Joseph, Mo., Dearborn, Mo., Weston, Mo., Savannah, Mo., Tarkio, Mo., Rockport, Mo., Platte City, Mo., Corning, Mo., Maryville, Mo., Elmo, Mo., Skidmore, Mo., and several other towns of northwestern Missouri. Under the bill that the President vetoed less than 25 per cent were taken care of. Under the bill we are now discussing more than 90 per cent were taken care of.

This bill is the most liberal and most equitable one every passed by any government in the world for the benefit of disabled veterans.

Members should keep in mind that after this bill becomes a law any ex-service man who is disabled due to his service will receive compensation at the rate of $100 per month for total disability. Furthermore, any ex-service man who is disabled not because of his service will receive $40 per month for total disability.

Personally I think this latter rate should be higher, and I hope the Senate will see fit to amend this bill by increasing the rates and by providing a widow's pension for this latter class.

The bill that has just been vetoed would not have given compensation for the most serious and fatal heart diseases, stomach trouble, and so forth. The following diseases would not be considered as compensable:

Pericarditis, auricular fibrillation, cardiac enlargement, systolic murmur, thrombosis, embolism, phlebitis, varicosites, gastritis, colitis, enteroptosis, sprue, cirrhosis of liver, peritonitis, bronchitis, bronchiectasis, bronchial asthma, emphysema, pleurisy, pneumoconiosis, pyogenic infection of kidneys, diseases of the bladder, diseases of the testes, skin diseases, acute rheumatic fever, syphilis, bacillary dysentery, myalgia (muscular rheumatism), hookworm infestation, distomiasis, filariasis, trichiniasis, malaria, and many surgical conditions.

Think of the absurdity of paying a man $225 a month pension for gout or rickets and giving nothing to a man with cardiac enlargement, systolic murmur, emphysema, a dangerous disabling chest condition, or pneumoconiosis, a hardening in spots of the lungs, which entirely incapacitates the individual who suffers from it.

Think of the absurdity of paying a man a pension for obesity and giving a man nothing for muscular rheumatism, which prevents him from moving from his bed.

The Rankin bill is a bill based upon a false premise and a falsehood. The bill under consideration is based upon the premise that every man who is disabled will be treated exactly like every other man similarly disabled. Do not forget that when this bill passes, your service men will secure equal treatment and just treatment. Do not forget that the gentleman from New York [Mr. LAGUARDIA], who is one man who left the floor of this House and entered a combat unit and who has done more in war and knows more about war than most people here, called attention to the fact that in the future the Director of the Veterans' Bureau can consider lay testimony. He is not bound by what some doctor who is now dead has said about it. It will service connect many cases of tuberculosis, where there is a shadow of proof that it is service connected.

Mr. Speaker, when I addressed the House earlier this afternoon I predicted that this bill would receive 95 per cent of the veterans' votes. I want to call attention to the fact that of the 70 veterans present, 98 per cent voted for the bill.

Mr. CONNERY. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. SIROVICH].

The SPEAKER pro tempore. The gentleman from New York is recognized for two minutes.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, a great philosopher, scholar, and sage once remarked that all the world loves a lover. If all the world loves a lover, I would like to paraphrase that sentiment by saying that all the world loves a fighter, particularly if he is fighting for an ideal, for a principle, for justice, or for liberty.

To-day I have seen an exemplification of the finest type of political patriotism that I have ever witnessed in this historic structure. JOHN RANKIN, from Mississippi, the senior member of the Veterans' Committee on our side of the House, battling for the cause of the American soldier, while down home in Tupelo, Miss., his distinguished father, Thomas Rankin, died last night. Broken-hearted and overwhelmed with emotion at the loss of his sainted father, we, nevertheless, find this JOHN RANKIN, militant Member from Mississippi, standing here battling courageously, fearlessly, and uncompromisingly, trying to bring justice to the American soldier. [Applause.]

Gentlemen on the Republican side of the House, let me remind you, when war was declared we never told our volunteers and conscripted soldiers that there would be two kinds of soldiers, those who fought in the trenches and ditches and those who were accidentally in the cantonments waiting to be sent to the field of action. To my mind, the soldier in the cantonment awaiting transportation for overseas duty is just as great a patriot as the soldier in the trenches. [Applause.] Any man wearing the uniform of an American soldier, marching away under our American flag, ready to do or die for our cause and our country, is entitled, when disabled, to all the protection that a grateful Republic can bestow on its valorous sons. [Applause.]

Mr. Speaker, ladies, and gentlemen of the House, the time has now come where actions speak louder than words. The American soldier is not looking for sympathy; he demands justice in his great hour of need. Let me read you two telegrams I have just received:

NEW YORK, N. Y.

Hon. WILLIAM I. SIROVICH,
Washington, D. C.:

American Legion of New York State and its auxiliary most strongly urge passage of Johnson-Rankin bill as passed by Senate without amendments and without conference. One hundred thousand disabled veterans asking help, which they sorely need. Surely you will not fail them now by changing Senate bill so as to increase cost, and thus jeopardize signature by President. Request also your influence keep Congress in session to pass bill over President's veto, if necessary. Would appreciate wire assuring your support of above requests.

JOHN J. BENNETT, Jr.,
Commander New York Department, American Legion,
305 Hall of Records, New York City.

SUNMOUNT, N. Y.

The Hon. WILLIAM SIROVICH,
House of Representatives, Washington, D. C.:

Tubercular World War veterans resent implication their disability not service origin. Please refute on floor House statement bureau medical council impossibility our disability service origin. Such arbitrary rulings prove impossible for us to surmount under present law.

Urge your continued support extension presumptive clause despite presidential objection. Your attention invited editorial New York American June 25 supporting Rankin bill.

JAMES J. FOLEY,
Commander D. A. V.

Mr. Speaker, I am battling for 18,000 tubercular veterans, who I believe would not be taken care of under this bill unless they proved themselves permanently disabled.

In the name of those who have died for our Republic and have made the supreme sacrifice upon the altar of national patriotism and love of country, I appeal in the name of these hallowed dead for justice for their disabled and crippled brethren, to live in happiness, in concord, and contentment as peaceful citizens of a grateful Republic. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. JOHNSON of South Dakota. Mr. Speaker, I yield two minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS. I am extremely glad that the veterans are going to be on a permanent and fixed basis of allowance. Those men will now know they will have a certain amount of money regularly instead of wondering whether their compensation may be reduced every few months. I am thankful that playing politics with human suffering is now about to end. [Applause.]

Mr. CONNERY. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, if any Member of the House will turn to page 15 of this bill and will examine carefully the provision that is the heart of the measure, he will find this new provision applies to those who are permanently disabled and not to those who are temporarily disabled. It only applies to those who have a permanent disability as defined by the director.

If that Member will then return to his office and look at his files and find the proportion of claims in which disabilities are rated permanent, he will quickly see that he will have to go back to his district and tell his veterans suffering from many mental disorders, pleural disorders, nervous disorders, rheumatic disorders, that they are temporarily disabled within the meaning of the act as interpreted by the director and as such do not even rate the $12 or $18 they would get if this bill becomes law.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. KVALE. Mr. Speaker, under leave to extend my remarks, I add the following: I had only one minute of time. I could only indicate, in a fragmentary way, my objections to this bill. Had debate not been so rigidly restricted, and had there been ample opportunity for expression of objections, I am convinced results would have been different. Here are some of the things I had wanted to say.

I want the RECORD to show that had Members been aware of the scope and provisions of this measure they might indeed have voted differently. And certainly they are not to blame, when even members of the Committee on World War Veterans' Legislation told me, after the chairman had made the motion to suspend the rules, that they knew nothing of committee action or of the contents of this measure. Those who did know would answer no questions from their colleagues. The spectacle of Members frantically scurrying to secure copies of this measure, after it was already under consideration, was one that was not at all pleasant to behold in this legislative body.

Members who have claimed during the debate that this measure will take care of all non-service-connected disabled might well scrutinize the bill more closely. The bill provides that no veteran who has less than a 25 per cent disability can receive any allowance. It provides further that no man who has less than a 50 per cent disability can receive more than $12 per month. The bill provides further that no man who has less than a 75 per cent disability can receive more than $18 per month. And so forth. Far less, in dollars, than we recently gave the Spanish War veterans by an overwhelming vote.

That is not the worst. The bill specifically states that no man who is not considered permanently disabled—as opposed to temporarily disabled—can be considered in this connection at all. In determining whether a disability is permanent or temporary in connection, the Director of the United States Veterans' Bureau is the judge.

Any Member of Congress—and there is not one that has not done valiant work in endeavoring to secure satisfactory and favorable adjudication of these veterans' claims—can testify to the fact that is further shown in the hearings held before the Veterans' Committee this winter, namely, that of the million claims, in round numbers, which have been disallowed in the Veterans' Bureau, we find the greater number are designated in the bureau's diagnoses as temporary disabilities. They know further that of the quarter-million claims, in round numbers, that has been allowed, only a small portion are called permanent.

Members know further that the director, and those who are with him responsible for determining upon policies of the Veterans' Bureau, have been unnecessarily harsh in designating disabilities to be temporary in nature, when, as a matter of fact, every consideration would seem to warrant their rating as permanent.

The Pension Office has been more generous in these matters. This bill calls for the regulations under which the Veterans' Bureau operates, and not the Pension Office practices. For that reason I oppose it.

This legislation was brought in under suspension of rules, in violation of every decent form of legislative procedure, without adequate consideration, under unwarranted and improper Executive pressure. It has been supported reluctantly by the membership of this House in the hope that another legislative body might so amend it that it would be less distasteful to the Members who have voted "yea" this afternoon.

I can not interpret my oath of office to mean that I should support a measure in which I have no faith, which I know to be of illegitimate origin, in the vain hope that I may evade responsibility by supposing that another body of Congress will correct the evils in the bill which has been before us.

One thing more. And I add it with full knowledge that it will be considered distasteful by the gentleman from Mississippi [Mr. RANKIN], to whom it refers.

But I want to express my personal gratitude, as a Member of Congress, as a veteran, as an American Legionnaire, as a Veteran of Foreign Wars, as a personal representative of a great number of veterans, and as his friend, to JOHN RANKIN.

To-day his father lies dead. He was so notified yesterday. To-day he had the choice of remaining here to try to convince this Membership of its responsibility, or of leaving to reach his home in time to be present at his father's burial. He deliberately chose the former. I shall not forget that fact; nor will the veterans of the Nation forget it.

Nor will we forget that, but for his alert and active interest, all this veterans' legislation would not have been considered at this session. Which inescapably leads to the observation that the first consideration in his bill and in legislation heretofore considered, that of proper attention to those veterans suffering from the chronic or constitutional diseases, not now compensated for, is in this measure entirely ignored. I hope the Senate will change it most drastically; but I know that in the meantime the responsibility rests on the administration leaders in this House; it must be faced; and I shall not help them evade it.

Mr. JOHNSON of South Dakota. Mr. Speaker and Members of the House, the gentleman from Minnesota who just addressed you is honest, but he has entirely misrepresented the status of section 200. There has never been a time in the history of the United States, in the Spanish-American pension bill or any other, when veterans were not required to be rated as permanently disabled. Otherwise a man suffering from scarlet fever or pneumonia or tonsilitis would receive a pension. The rules and regulations adopted by the Pension Bureau will be the rules and regulations adopted under the provisions of this act.

Mr. KNUTSON. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield.

Mr. KNUTSON. And is it not a fact that after he has recovered from scarlet fever or pneumonia he would still continue to draw a pension?

Mr. JOHNSON of South Dakota. He would if he once went on the roll.

Now, I have listened to as much demagoguery on veterans' legislation as any living human being. I have heard it before the committee and I have listened to it on the floor of the House for 12 years. There are more people who saw less fighting who can wade in more blood on the floor of this House than any soldier who was ever at the front. [Applause.] Personally I am getting tired of the politics of it. It is absurd and ridiculous that honest Democrats should disagree with honest Republicans on what ought to be done. There never was any politics in the Committee on World War Veterans' Legislation when the membership of that committee was composed of soldiers like Bulwinkle, of North Carolina; MILLIGAN, of Missouri; BROWNING, of Tennessee; JEFFERS, of Alabama—men who served and fought and who were wounded [applause]—and CONNERY, of Massachusetts, color sergeant of the One hundred and first Infantry. [Applause.] Sometimes we disagreed, but we did not play politics. Right now is the time in the history of our country when we should stop playing politics and get back to the basis on which we originally started this legislation. [Applause.] The Rankin bill would not have done what the gentleman thought it would do. It would take care of men who had some of the following diseases: Acidosis, pellagra, scurvey, gout, hemophilia, that could only be inherited from the

mother; rickets, obesity, and a lot of diseases of that kind. It would not have affected some of the other diseases.

I am going to ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD to show exactly what both of these bills would have done.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of South Dakota. The Rankin bill would not have taken care of men suffering from the most serious and fatal heart diseases, stomach trouble, and other diseases.

The following diseases, pericarditis, auricular fibrillation, cardiac enlargement, systolic murmur, thrombosis, embolism, phlebitis, varicosites, gastritis, colitis, enteroptosis, sprue, cirrhosis of liver, peritonitis, bronchitis, bronchiectasis, bronchial asthma, emphysema, pleurisy, pneumoconiosis, pyogenic infection of kidneys, diseases of the bladder, diseases of the testes, skin diseases, acute rheumatic fever, syphilis, bacillary dysentery, myalgia (muscular rheumatism), hookworm infestation, distomiasis, filariasis, trichiniasis, malaria, and many surgical conditions, are general medical conditions which would not be included in a group confined to constitutional diseases and diseases analogous to constitutional diseases.

Think of the absurdity of paying a man $225 a month pension for gout or rickets, and giving nothing to a man with cardiac enlargement, systolic murmur, emphysema, a dangerous disabling chest condition, or pneumoconiosis, a hardening in spots of the lungs which entirely incapacitates the individual who suffers from it.

Think of the absurdity of paying a man a pension for obesity and giving a man nothing for muscular rheumatism which prevents him from moving from his bed.

The Rankin bill is a bill based upon a false premise and a falsehood. The bill under consideration is based upon the premise that every man who is disabled will be treated exactly like every other man similarly disabled. Do not forget that when this bill passes, your service men will secure equal treatment and just treatment. Do not forget that the gentleman from New York [Mr. LAGUARDIA], who is one man who left the floor of this House and entered a combat unit and who has done more in war and knows more about war than most people here, called attention to the fact that in the future the Director of the Veterans' Bureau can consider lay testimony. He is not bound by what some doctor who is now dead has said about it. It will service-connect many cases of tuberculosis, where there is a shadow of proof that it is service connected. Those that never should be service connected will get their $40 a month and their hospitalization, which is a total pension of $160 as long as they live.

The SPEAKER. The time of the gentleman from South Dakota has expired. All time has expired.

The question is on the motion of the gentleman from South Dakota to suspend the rules and pass the bill.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 365, nays 4, not voting 59, as follows:

[Roll No. 78]

YEAS—365

Abernethy	Browne	Cooper, Ohio	Edwards
Ackerman	Browning	Cooper, Tenn.	Elliott
Adkins	Brumm	Cox	Ellis
Allen	Brunner	Coyle	Englebright
Allgood	Buckbee	Craddock	Eslick
Almon	Burdick	Cramton	Estep
Andresen	Busby	Crisp	Esterly
Andrew	Butler	Cross	Evans, Calif.
Arentz	Cable	Crosser	Evans, Mont.
Arnold	Campbell, Iowa	Crowther	Fenn
Aswell	Campbell, Pa.	Culkin	Fisher
Auf der Heide	Canfield	Cullen	Fitzgerald
Ayres	Cannon	Dallinger	Fitzpatrick
Bacharach	Carley	Darrow	Fort
Bachmann	Carter, Calif.	Davenport	Foss
Bacon	Carter, Wyo.	Davis	Frear
Baird	Cartwright	Dempsey	Freeman
Bankhead	Celler	Denison	French
Barbour	Chalmers	DeRouen	Fulmer
Beedy	Chase	Dickinson	Gambrill
Beers	Chindblom	Dickstein	Garber, Okla.
Bell	Christgau	Dominick	Garber, Va.
Black	Christopherson	Doughton	Garrett
Blackburn	Clague	Douglas, Ariz.	Gasque
Bland	Clancy	Douglass, Mass.	Gavagan
Blanton	Clark, Md.	Doutrich	Gibson
Bolton	Clark, N. C.	Dowell	Gifford
Bowman	Clarke, N. Y.	Doxey	Glover
Box	Cochran, Mo.	Drane	Goldsborough
Boylan	Cochran, Pa.	Drewry	Goodwin
Brand, Ga.	Cole	Driver	Graham
Brand, Ohio	Collins	Dunbar	Granfield
Briggs	Colton	Dyer	Green
Brigham	Connery	Eaton, Colo.	Greenwood
Britten	Connolly	Eaton, N. J.	Gregory
Griffin	Korell	Oldfield	Sproul, Ill.
Guyer	Kurtz	Oliver, Ala.	Stafford
Hadley	LaGuardia	Oliver, N. Y.	Stevenson
Hale	Lambertson	Palmer	Stobbs
Hall, Ill.	Lampert	Palmisano	Stone
Hall, Ind.	Lankford, Ga.	Parker	Strong, Kans.
Hall, Miss.	Lankford, Va.	Parks	Strong, Pa.
Hall, N. Dak.	Larsen	Patman	Sullivan, Pa.
Halsey	Lea	Patterson	Summers, Wash.
Hammer	Leavitt	Perkins	Swanson
Hancock	Leech	Pittenger	Swick
Hardy	Lehlbach	Pou	Swing
Hare	Letts	Prall	Taber
Hartley	Lindsay	Pratt, Harcourt J.	Tarver
Hastings	Linthicum	Pratt, Ruth	Taylor, Tenn.
Haugen	Lozier	Pritchard	Temple
Hawley	Luce	Purnell	Thatcher
Hess	Ludlow	Quayle	Thompson
Hickey	McClintic, Okla.	Quin	Thurston
Hill, Ala.	McClintock, Ohio	Ragon	Tilson
Hill, Wash.	McCormack, Mass.	Rainey, Henry T.	Timberlake
Hoch	McCormick, Ill.	Ramey, Frank M.	Tinkham
Hoffman	McDuffie	Ramseyer	Treadway
Hogg	McFadden	Ramspeck	Tucker
Holaday	McKeown	Rankin	Turpin
Hooper	McLaughlin	Ransley	Underwood
Hope	McLeod	Rayburn	Vestal
Hopkins	McMillan	Reed, N. Y.	Vincent, Mich.
Houston, Del.	McSwain	Reid, Ill.	Vinson, Ga.
Howard	Maas	Robinson	Wainwright
Huddleston	Magrady	Rogers	Warren
Hudson	Manlove	Rowbottom	Wason
Hull, Morton D.	Mapes	Rutherford	Watres
Hull, William E.	Martin	Sabath	Watson
Hull, Wis.	Mead	Sanders, N. Y.	Welch, Calif.
Irwin	Menges	Sanders, Tex.	White
Jeffers	Merritt	Sandlin	Whitehead
Jenkins	Michener	Schafer, Wis.	Whitley
Johnson, Ind.	Miller	Schneider	Whittington
Johnson, Nebr.	Montague	Sears	Wigglesworth
Johnson, Okla.	Mooney	Seiberling	Williamson
Johnson, S. Dak.	Moore, Ky.	Selvig	Wilson
Johnson, Wash.	Moore, Ohio	Shaffer, Va.	Wolfenden
Jonas, N. C.	Moore, Va.	Short, Mo.	Wolverton, N. J.
Jones, Tex.	Morehead	Shott, W. Va.	Wolverton, W. Va.
Kahn	Morgan	Shreve	Wood
Kearns	Mouser	Simmons	Woodruff
Kelly	Nelson, Me.	Simms	Woodrum
Kendall, Ky.	Nelson, Mo.	Sirovich	Wright
Kennedy	Newhall	Sloan	Wurzbach
Kerr	Niedringhaus	Smith, Idaho	Wyant
Ketcham	Nolan	Smith, W. Va.	Yates
Kiess	Norton	Snell	Yon
Kincheloe	O'Connell	Snow	Zihlman
Kinzer	O'Connor, La.	Somers, N. Y.	
Knutson	O'Connor, Okla.	Sparks	
Kopp	O'Connor, N. Y.	Speaks	

NAYS—4

Johnson, Tex.	Kvale	Lanham	Milligan

NOT VOTING—59

Aldrich	Finley	Kiefner	Sinclair
Beck	Fish	Kunz	Spearing
Bloom	Free	Langley	Sproul, Kans.
Bohn	Fuller	McReynolds	Stalker
Buchanan	Garner	Mansfield	Steagall
Burtness	Golder	Michaelson	Stedman
Byrns	Hudspeth	Montet	Sullivan, N. Y.
Collier	Hull, Tenn.	Murphy	Sumners, Tex.
Cooke	Igoe	Nelson, Wis.	Taylor, Colo.
Cooper, Wis.	James	Owen	Underhill
Corning	Johnson, Ill.	Peavey	Walker
Crail	Johnston, Mo.	Porter	Welsh, Pa.
Curry	Kading	Reece	Williams
De Priest	Kemp	Romjue	Wingo
Doyle	Kendall, Pa.	Seger	

So two-thirds having voted in favor thereof the rules were suspended, and the bill was passed.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Golder with Mr. Byrns.
Mr. Fish with Mr. Taylor of Colorado.
Mrs. Langley with Mr. Kemp.
Mr. Sinclair with Mrs. Owen.
Mr. Bohn with Mr. Stedman.
Mr. Welsh of Pennsylvania with Mr. Hull of Tennessee.
Mr. Seger with Mr. Collier.
Mr. Free with Mr. Spearing.
Mr. Aldrich with Mr. Steagall.
Mr. Crail with Mr. Sullivan of New York.
Mr. Underhill with Mr. Mansfield.
Mr. Reece with Mr. Romjue.
Mr. Beck with Mr. Bloom.
Mr. Cooper of Wisconsin with Mr. Corning.
Mr. Michaelson with Mr. Hudspeth.
Mr. Kiefner with Mr. Fuller.
Mr. Sproul of Kansas with Mr. Montet.
Mr. Kendall of Pennsylvania with Mr. Buchanan.
Mr. Murphy with Mr. Wingo.
Mr. Nelson of Wisconsin with Mr. Doyle.
Mr. Johnston of Missouri with Mr. Williams.
Mr. Finley with Mr. McReynolds.
Mr. Cooke with Mr. Kunz.
Mr. James with Mr. Igoe.
Mr. Curry with Mr. Garner.
Mr. Johnson of Illinois with Mr. Sumners of Texas.

Mr. MOUSER. Mr. Speaker, I have been requested to announce that the gentleman from Tennessee, Mr. REECE, is unable to be present, being unavoidably detained at his home in Tennessee, but if he were present he would have voted "yea."

Mr. CRAIL. Mr. Speaker, I would like to have the RECORD show that if I had gotten here in time I would have voted "yea."

Mr. SCHNEIDER. Mr. Speaker, my colleagues, Mr. KADING and Mr. PEAVEY, are unavoidably absent. Were they here they would vote "yea."

Mr. COOPER of Tennessee. Mr. Speaker, my colleagues from Tennessee, Representatives BYRNS, HULL, and MCREYNOLDS, are unavoidably absent. I am authorized to state that if they were present they would vote "yea."

Mr. FREAR. Mr. Speaker, the gentleman from Wisconsin, Mr. COOPER, wishes me to have him recorded as being in favor of this bill, although he is not here.

Mr. PARKER. Mr. Speaker, I have a telegram from my colleague from New York, Mr. FISH, stating that had he been able to be present he would have voted "yea."

Mr. KENDALL of Kentucky. Mr. Speaker, my colleague, Mr. WALKER, is unavoidably absent. If he were here, he would vote "yea."

Mr. HOPKINS. Mr. Speaker, the gentleman from Missouri, Mr. KIEFNER, is unable to be present. If he were present, he would vote "yea."

Mr. SUMNERS of Texas. Mr. Speaker, I desire to vote, but can not qualify. If permitted to do so, I would vote "yea."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS—WORLD WAR VETERANS' LEGISLATION

Mr. TILSON. Mr. Speaker, a short time ago a request was made that all Members be allowed to extend their remarks in the RECORD on the bill that has just passed, but objection was made to that request. It is evident that a great number of Members will wish to extend their remarks in the RECORD and will be asking for that privilege from time to time. In order to save time and the confusion which usually follows when a number of Members are asking to extend their remarks, I again make the request that all Members of the House may have until the end of the session leave to extend their own remarks in the RECORD on the subject of veterans' legislation.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that all Members may have until the close of the session to extend their own remarks on this bill. Is there objection?

Mr. CONNERY. I object, Mr. Speaker.

Mr. JOHNSON of South Dakota. Will the gentleman reserve his objection a moment?

Mr. CONNERY. I will reserve it.

Mr. JOHNSON of South Dakota. I would like to call the gentleman's attention to the fact that when the gentleman from Connecticut made this request the gentleman from Mississippi [Mr. RANKIN] was in the room, and if he had desired to make an objection he could have done so. I do not think the gentleman from Massachusetts has any obligation now to make this objection.

Mr. CONNERY. Mr. Speaker, I will reserve the right to object, and if the gentleman from Mississippi [Mr. RANKIN] is present——

Mr. JOHNSON of South Dakota. The gentleman just stepped out of the door. I saw him.

Mr. CONNERY. If the gentleman is outside the door, I will be forced to object.

Mr. TILSON. When I rose to speak the gentleman from Mississippi was standing over here.

Mr. JOHNSON of South Dakota. And was standing right there when I rose.

Mr. AYRES. The gentleman from Mississippi is in the Speaker's lobby now.

Mr. CONNERY. I understand that if the gentleman from Mississippi were present he would object. I object for the present.

Mr. TILSON. I think that I could appeal to the reason of the gentleman from Mississippi if he were present. We are not saving any time by refusing, and we should prevent confusion in the transaction of business from now until the end of the session by granting leave for all to extend their remarks, and for that reason I renew the request.

Mr. CONNERY. I object.

Mr. MICHENER subsequently said: Mr. Speaker, I ask that all Members be given until the end of the session to extend their own remarks on veteran legislation that passed the House yesterday.

The SPEAKER. The gentleman from Michigan asks unanimous consent that all Members may have until the end of the session to extend their remarks on veteran legislation. Is there objection?

Mr. GARNER. Reserving the right to object, and I shall not object, I think the request ought to be put in this form: That all Members of the House be permitted until the end of the session to make explanation of their votes on the veterans' bill. [Laughter.]

Mr. MICHENER. I have no objection if the gentleman from Texas wants to explain. [Laughter.]

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Texas. Mr. Speaker, I voted against H. R. 13174, amending the World War veterans' act, which passed the House yesterday, because of the rash, inconsiderate, and revolutionary method by which the bill was considered, and also because of its inadequate relief provisions and gross discrimination against World War veterans.

The most flagrant violation of all rules safeguarding and insuring intelligent consideration of legislation was committed in the passage of this bill. Never was a more wanton and reckless disregard of orderly procedure or such undue and precipitate haste manifested by any legislative body in considering legislation of major importance.

The bill was introduced less than an hour before it was voted upon in the House. It was referred to no committee, as required by the rules. It was considered by no committee, and the membership of the House, including the members of the Committee on World War Legislation were not permitted to see it until its consideration was begun in the House.

Immediately after its introduction it was called up to be voted upon under suspension of the rules, whereby entire debate was limited to only 40 minutes, and no amendment of any kind could be considered or even offered.

It was a voluminous bill, covering 35 printed pages, changing in many particulars existing law governing the relief of World War veterans. It was impossible, during the brief debate of 40 minutes, which was divided between a number of speakers whose time limit ranged from one to five minutes—mostly one to two minutes—to learn from the speakers very much concerning the bill. In fact, a majority of them had never read it. It was likewise impossible, in this brief time, to read, much less analyze and comprehend, this lengthy and involved bill and to know its consequences and effect upon disabled veterans.

The cause of the disabled veterans of the World War is one in which I am deeply interested. I have supported all legislation in their behalf, and have given much of my time in looking after the individual claims of those in my district, and have appeared and orally argued many of them in the Veterans' Bureau here in Washington and also in the regional office.

I could not give my consent to vote for a bill the effect of which was unknown to me, especially when, from a superficial examination, I discovered that it was inadequate in the relief afforded; that it meant that many of those veterans now suffering from disabilities incurred in the World War would receive no relief, and that some of those now receiving compensation would, by the terms of the bill, receive less if the bill passed.

Specifically pointing out some of its objectionable features, if I correctly interpret the last paragraph in section 14, it means that those veterans having arrested tuberculosis disability who, under the present law, receive $50 per month will be reduced to $25 per month.

The executive branch of the Government has for some time been threatening to secure a repeal of the statute allowing $50 per month for this disability, and while Congress would not consent thereto, it appears that a joker in this bill has accomplished that result.

Realizing that this bill deprives disabled veterans of the benefits conferred upon them in H. R. 10831, passed at this session of Congress and vetoed by the President just a few minutes before the passage of the bill under consideration, and in an attempt to atone therefor this bill inaugurates a pension system. The veterans of the World War and especially the American Legion have at all times manifested their opposition to pensions and insisted that they prefer adequate compensation for those whose disabilities were incurred in service.

However, if the time has arrived, and in order to do justice to the veterans of the World War it is necessary to grant pensions to those whose disabilities are not service connected, then I insist that there should be some measure of adequacy in the pensions granted, and the law should not so limit and restrict the right to receive same that it would be almost impossible to secure favorable action; and, furthermore, the veterans receiving such pensions should not be discriminated against.

In the provisions of the bill granting pensions to World War veterans whose disability is not service connected there is a gross discrimination against World War veterans as compared with the veterans of other wars in three particulars: (a) As to rates of pensions so granted; (b) as to degree of disability entitling to such pensions; and (c) financial condition of veterans entitled thereto.

First. As to the rates of pensions granted therein to World War veterans, I quote from the bill:

Twenty-five per cent permanent disability, $12 per month; 50 per cent permanent disability, $18 per month; 75 per cent permanent disability, $24 per month; total permanent disability, $40 per month.

Contrasting these rates with those granted to the veterans of the Civil War and the Spanish-American War are as follows:

All Civil War veterans who served in the Union Army for 90 days or more, regardless of the question of disability or financial condition of the veterans, receive $75 per month, or $100 per month where the condition of the Civil War veteran, by reason of disabilities, is such as to require the aid and regular attendance of another person.

The widows of Civil War veterans, under existing law, receive $40 per month.

Comparing the pensions granted Spanish-American War veterans under existing law and World War veterans under this bill, I quote below the comparative rates:

Spanish-American War veterans	Per month
One-tenth disability	$20
One-fourth disability	25
One-half disability	35
Three-fourths disability	50
Total disability	60
World War veterans	
One-tenth disability	Nothing.
One-fourth disability—per month	$12
One-half disability—do	18
Three-fourths disability—do	24
Total disability—do	40

Regardless of disability, Spanish-American War veterans also receive pensions based upon attained age, as follows: 62 years, $30 per month; 68 years, $40 per month; 72 years, $50 per month; 75 years, $60 per month.

The widows of Spanish-American War veterans receive $30 per month. The widows of World War veterans under the bill receive nothing.

DEGREE OF DISABILITY

Second. The discrimination against World War veterans under the bill is not confined to the rates, but also to the degree of disability necessary to be shown to entitle them to a pension.

Under the law Civil War veterans are required to show no disability of any character to entitle them to a pension, and Spanish-American War veterans are only required to show an existing disability, while under this bill World War veterans will be required to show the existence of a "permanent disability."

No pension legislation heretofore has been so onerous as this. Those of us who have had experience with the Veterans' Bureau in their interpretation of the term "permanent disability" know that it is almost impossible, unless the veteran has lost an arm, a limb, or an eye, to convince them that the disability from which he is suffering is permanent in its nature. If the Veterans' Bureau continues to interpret "permanent disability" under this law as they have under World War relief legislation, it will mean a denial of a pension in practically all cases with the exceptions above mentioned.

POVERTY OF VETERANS

Third. Before a World War veteran is entitled to receive a pension under this bill he is required to show that he was exempt from the payment of a Federal income tax for the year preceding the filing of application for pension, and the bill further requires that there must be obtained from the Secretary of the Treasury a certificate to the effect that the veteran so applying for a pension was entitled to exemption from the payment of a Federal income tax for the year preceding the filing of his application.

Civil War veterans and Spanish-American War veterans under the law receive pensions regardless of their financial condition. A veteran of these two wars may be a millionaire, and yet under the law he is entitled to a pension, while a World War veteran must show his poverty before he is entitled thereto. And this proof must be submitted not only by himself but corroborated by a certificate from the Secretary of the Treasury.

The foregoing are some of the defects I detected in a necessarily hasty examination of the bill.

In striking contrast with the scant consideration given this bill was that devoted to H. R. 10831, which passed the House and Senate at this session, full consideration thereof having been given by the committees of both Houses, and unlimited debate being allowed when it was considered in both bodies.

But the President disapproved of it, among other reasons because he said its cost would be $110,000,000 the first year, although the hearings on the bill before the Senate disclosed that the amount would be only $74,000,000.

Secretary of the Treasury Mellon also gave out an interview that it might cause a deficit in the Treasury, but he made this same prediction when, in 1924, we passed the World War adjusted compensation act, and instead of a deficit there was a very large balance.

It is strikingly strange that this administration always preaches economy when veterans' relief legislation is considered. Refunds to large corporations, aggregating nearly a billion dollars, shipping contracts that cost the Government millions of dollars for carrying an infinitesimally small amount of mail, huge frauds in post-office rental contracts in Milwaukee and other cities do not excite the attention of the administration, but let the subject of veterans' relief legislation be considered, and the cry of economy is always raised.

The President also gave out a statement to the effect that H. R. 10831 was not desired by the American Legion.

I know not what the American Legion in other places may have desired, but in Texas H. R. 10831 as it passed the Senate was indorsed by the Legion. On June 13, 1930, I had a telegram from Hon. Ernest C. Cox, department commander of the American Legion of the State of Texas, urging that the bill as amended by the Senate be accepted by the House without amendment. To the same effect was a telegram to me of June 23, 1930, from Mr. Robert O. Whiteaker, department adjutant, American Legion of the State of Texas, and also a letter of June 17, 1930, from Mrs. Helen Beale Dean, chairman legislative committee, American Legion Auxiliary of Texas.

I voted to pass H. R. 10831 over the President's veto, as I did his veto of the Spanish-American bill, but the House refused to do so by a vote of 182 to 188.

The Republican leaders in the House manipulated the immediate consideration of this bill, following the President's veto, not so much for the relief of the veterans but for the relief of the President and those who voted to sustain his veto.

It is my judgment that a majority of those in the House voting for H. R. 13174 did so with the hope that the Senate would properly consider the bill, amend it, liberalize its provisions, and remove its discriminations. This I hope they will do.

I shall vote against adjournment of the Congress for this session until after just and adequate relief legislation is passed in behalf of the disabled veterans of the World War.

Mr. PATMAN. Mr. Speaker, the new veterans' bill which passed the House Thursday after the President had vetoed a veterans' bill which had passed the House unanimously and the Senate by a vote of 11 to 1, is a subterfuge and will mislead the veterans of the World War. They are led to believe by proponents of this measure that they are being treated fairly. In the language of Mr. LUCE, of Massachusetts, as it appears on page 11833, CONGRESSIONAL RECORD, June 26, 1930:

If we are then not vindicated at the polls, we shall at least have the consolation of our consciences in that we have made it the Republican policy to deal fairly with all the soldiers to make no discrimination, to give no unjust preferences, but to treat all of each class alike extending equitably the bounty of the Government—

And so forth.

MELLON'S IDEA OF JUSTICE

After reading these remarks I am willing to leave it to you to say whether or not the Republican policy is to deal fairly with all the soldiers. I believe you will be convinced that the policy adopted is for the purpose of establishing war-time rank as a basis of compensation for disability in time of peace, and to deal niggardly with enlisted men and generously with a few commissioned officers.

The President was persuaded to veto the bill because it was claimed a deficit would be caused by its enactment.

In the American Magazine for July, 1930, there is an article entitled "Andrew Mellon Stripped of His Mystery," by Will Irwin. Doubtless this article was written by Mr. Irwin after obtaining the information for it either from Mr. Mellon personally, as many of the instances recited in the article indicate, or from one of his close associates and with the knowledge and approval of Mr. Mellon. This article discloses the following facts:

When Andrew Mellon entered the Treasury he was active director in 300 companies—coal, steel and iron, oil, aluminum, paint, shipbuilding, real estate—these are the major items.

MELLON THE SHIPBUILDER

About shipbuilding and the organization of a big company to make ships the following is quoted:

He had named it the New York Ship Building Corporation. What that company did between 1914 and 1917 is a part of war history. At the peak, Mellon sold it out to one of the companies, whose brokers had descended on him in 1914. When he became Secretary of the Treasury the newspapers announced, perhaps with truth, that he was the third richest man in the United States. He had come to the

mature age of 66, immensely rich, tremendously respected by his associates, a quiet unadvertised power in Pennsylvania Republican politics.

Only two other men in the whole United States richer than he was in 1920. I wonder if anyone is richer than he is to-day?

MELLON NOMINATES HOOVER

Speaking about the candidates for President in 1928, it is said—

He arrived at Kansas City two days before the nomination. The Hoover landslide was on. Supporters of the other candidates met him at the station, hurried him to a conference in a hotel room. If Mr. Mellon would name any candidate but Hoover and throw the Pennsylvania vote his way, they would unite to support him. "But, gentlemen, I have already said that I favored Hoover," replied Mellon mildly. "Wasn't my language plain?" From that moment only death could have stopped Herbert Hoover from the nomination.

From the foregoing it will be seen that Mr. Mellon was doubtless responsible for the nomination of Herbert Hoover. Therefore Mr. Hoover is under obligation to Mr. Mellon to keep him in the Cabinet as long as he cares to stay, as suggested in the magazine article.

NO VETERAN RELIEF FROM MELLON

The World War veterans will never get a square deal as long as Andrew Mellon is Secretary of the Treasury. Every time a bill comes before Congress for the purpose of aiding veterans, Mr. Mellon immediately commences to show that the enactment of the bill will cause a deficit in the United States Treasury.

This bill that passed the House Thursday should be labeled "The Mellon bill."

A FALSE PROMISE HELPED TO CARRY TEXAS FOR HOOVER

During the presidential campaign of 1928 in Texas the Hoover forces of that State and the anti-Smith forces of that State advised the voters of Texas that if Herbert Hoover should be elected President, Andrew W. Mellon would not be Secretary of the Treasury, neither would he hold any other position in Herbert Hoover's Cabinet. Evidently these statements were made for the purpose of getting votes. The people of Texas knew that Mr. Mellon was not a prohibitionist, that he has been an enemy to the cause, and that he is an enemy to the cause of the poor, plain man or woman who depends upon his daily labor for the support of himself and family. And in order to carry that great State this false statement was made.

THE MELLON PRIVATE FORTUNE

Mr. Mellon's private fortune, which was enhanced so greatly during the war and by reason of the country's misery and misfortune, has become so large that a request for an appropriation from the United States Treasury is a personal matter with him. He looks upon it as an attempt to cause him to pay more money in taxes. Mr. Mellon's salary as an official of the United States Government is $15,000 a year. His income from his large estate, enhanced by war profits, doubtless exceeds $30,000,000 a year. Therefore this official who stands in the way of all soldiers' relief is making $50 a day to serve his country and $100,000 a day to serve the special interests of the Nation. Who is he going to serve? A man can not have two masters.

ADJUSTED-SERVICE CERTIFICATE COULD BE PAID

If he is such a great financier as some people would have you believe, why does he not propose to borrow money for 2 or 2½ per cent at this time and pay the soldiers the amount of their adjusted-compensation certificates or the amount that has accrued on the debt acknowledged by the Government to be due in 1918, with interest from that date at the rate of 6 per cent? Instead of that he opposes paying the adjusted-service certificates. The Government is making lots of money loaning the soldiers their own money at 6 per cent compounded annually when the Government can get all the money it wants for 2 or 2½ per cent interest. The payment of these certificates at this time would bring immediate prosperity.

DEFICIT TALK TO KILL VETERANS' RELIEF

When there was a proposal to give foreign nations billions of dollars there was no talk of a deficit. The railroads were financially sick after the war, it is claimed. Mr. Mellon did not ask them to wait, but was favorable to giving them billions of dollars out of the Treasury of the United States and the pockets of the people to relieve their financial distress.

April 30, 1930, Mr. Ogden Mills, the chief assistant to Mr. Mellon, told the United States Chamber of Commerce that another tax revision is coming, indicating a great reduction in taxes. It is well known that Mr. Mellon has in his vest pocket at this time a proposal to exempt foreign capital from taxation. This proposal will doubtless be presented at the December session of Congress, after the November election, and passed. It will reduce taxes, but never will Mellon say it will contribute to the cause of a deficit.

The rivers and harbors bill, which recently passed Congress, authorizes an appropriation of $144,000,000. Neither the President nor Mr. Mellon screamed "deficit" when it was mentioned. Billions of dollars have been appropriated during this session of Congress without the mention of a deficit until soldiers' relief was suggested.

HUNDREDS OF MILLIONS FOR BEAUTIFICATION OF WASHINGTON

As a part of the magazine article mentioned above, there is a picture of a group of large Government buildings, under which is the following:

A part of official Washington as it will look when one of Andrew Mellon's finest dreams takes material form.

Please note one of Mellon's finest dreams. He is not thinking of disabled soldiers or people in distress. He is thinking of spending hundreds of millions of dollars for fine buildings. He is endeavoring to make his name immortal by spending millions of dollars to beautify Washington, when there are millions of people walking the streets of the United States to-day begging for the privilege of working in order that they may support themselves and families, and can not find a job of any kind. Very few jobs will be available to men outside of Washington on account of this program. Many of these men hold the Government's I. O. U. in the form of an adjusted-service certificate. They served their country in time of war and now the Government does not pay them the money that it has confessed is due. No mention of a deficit by Mr. Mellon when this great building program was being discussed and agreed upon.

SCANDAL OF HOOVER ADMINISTRATION

One of the scandals of the Hoover administration is ship-subsidy contracts. Hundreds of millions of dollars are being authorized to give shipping lines a subsidy. Many of these lines are making 25 per cent and 50 per cent on their investments. Notwithstanding this, the Government, through the Post Office Department, is giving these concerns mail contracts which will aggregate hundreds of millions of dollars. They give ocean-mail contractors several hundred thousand dollars a year to carry $3 worth of mail. In other instances the Government is paying $7,000 for one dollar's worth of service. A direct gift from the United States Treasury to the favored few and pampered pets of the administration. No talk of a deficit when all this was going on.

PLENTY TO BUY WINE AND SONG

The day before the first soldiers' bill, which was vetoed by the President, passed the House of Representatives, tens of thousands of dollars appropriation was authorized for social entertainment for our representatives in foreign countries. These representatives under this authorization will be permitted to use the taxpayers' money to buy wine and song and for any other purpose that they see fit, and charge it up to the social entertainment fund. No mention of a deficit when items like this were discussed.

BILLIONS FOR TAX REFUNDS

When the United States Steel Corporation, Aluminum Co. of America, Gulf Refining Co., and many other large trusts and monopolies of the Nation were paying large income taxes in 1917 and 1918, the people thought this money was paid in good faith and received in good faith. They were correct. But after Mr. Mellon became Secretary of the Treasury he has remitted to these concerns and others two or three billion dollars in what he claimed were excess collections. He is giving back to these concerns taxes they paid as far back as 1912 and 1913. United States Steel Corporation has gotten a refund of nearly $100,000,000 through Mr. Mellon. One of the latest refunds, amounting to about $30,000,000, was obtained by a former official of the Treasury Department, and he felt like his services were so useful to this large concern in persuading Mr. Mellon to treat it right that his fee for the work he did was set at $5,000,000. In other words, as stated by Mr. GARNER, our minority leader, a few days ago, this concern had to pay this influential man $5,000,000 to persuade Uncle Andy to give them a square deal.

TWO HUNDRED DOLLARS A MONTH FOR OFFICER, BUT $12 A MONTH FOR PRIVATE

Congress has already passed a law which will give to officers who served during the World War and only during the World War for a 30 per cent permanent disability two or three hundred dollars a month, depending upon rank. Many of these officers are drawing this enormous compensation for diseases and injuries that were not in fact connected with the service. Yet Mr. LUCE says that the Republican Party is dealing fairly with the soldiers when he votes for a bill that will give an enlisted man who has a 49 per cent permanent disability the niggardly sum of $12 a month. This is the Mellon idea of justice. Mr. Mellon is controlling the Republican Party, and as long as he occupies that position the Republicans will be compelled to sing

his praises and put their stamp of approval upon everything he suggests.

ASKED FOR BREAD BUT GIVEN A STONE

Hundreds of thousands of the veterans of the World War, men who at the beginning of the war walked up to Uncle Sam, signed on the dotted line, and offered to give their lives to the cause of their country, are now helpless, dying of injuries and diseases received during the war and contracted by reason of their military service. They are only asking for an annual expenditure of what will amount to the annual income of Mr. Mellon and one other man. This is denied them. They are asking for bread, but Mr. Mellon is handing them a stone. They served our country in time of need. Now the war profiteers are preventing them from getting justice. Not only are the veterans suffering but their wives and children are in distress.

BILLIONS FOR EVERYTHING EXCEPT VETERANS' RELIEF

Billions for railroads, billions for foreign countries, hundreds of millions for buildings, hundreds of millions for rivers and harbors, billions for war profiteers on tax refunds, hundreds of millions for ocean-mail contracts, tens of thousands for social entertainment, but a niggardly sum for veterans of the World War.

WHAT 1925 INCOME-TAX RATE WOULD DO

If Congress would restore the same income-tax rate that is now being paid by the income-tax payers of other leading countries of the world the increase that would be paid by the individuals whose annual incomes are in excess of a million dollars a year would be sufficient to amply take care of the soldiers and pay their adjusted-service certificates. I would not be in favor of taxing this class by itself, but I would spread it over all income-tax payments. These figures are given for the purpose of showing how easily the money could be raised by those who profited most by reason of the country's misery and misfortune during the recent World War. There are 24 people in the United States whose annual incomes are more than $5,000,000 each. These individuals—most of them, at least—accumulated a greater portion of their fortunes from war contracts and settlements by the Government after the war.

WAR PROFITEERS SHOULD PAY

Justice should be done. The profits of war profiteers should be utilized to adequately compensate World War veterans. We can now equalize the burdens of the last war.

If Mr. Mellon could be persuaded to be just as anxious to do justice to veterans as he has always been to give refunds on taxes of large corporations, the veterans of the World War would have no cause to worry.

Mr. GLOVER. Mr. Speaker, ladies and gentlemen of the House, in the early part of this Congress, which is soon to adjourn, a careful study was begun and bills introduced to amend the World War veterans' act of 1924 so as to do absolute justice to every soldier who participated in that great conflict and who received injury or whose health was lost or impaired by reason of his service.

When we look back to the time before the beginning of this great World War and see these splendid young men in the bloom of young manhood facing the future with bright prospects and in perfect health and following the various vocations and avocations of life open to them, and then this great World War being thrust upon us, and the call of the Nation coming to these splendid men to lay down their business and if need be to sacrifice their lives in defense of their country, we see them willingly obeying this call and going to the training camps there to be trained and carried into the battle lines where many of them sacrificed their lives, others losing an arm or leg or suffering other great injuries and many of them losing their health on account of the service that they were required to render. Many of them are now in dire distress who have never received a penny's compensation for their injury and suffering.

This Congress should not adjourn until absolute justice is done them.

A bill was introduced, was given careful study by the committee and reported to this House, where it was amended and made into a bill which if enacted into law would have been doing absolute justice to every man who rendered honorable and faithful service.

This bill passed the House with only a few votes against it, and then went to the Senate and was there amended and returned to this House and without a dissenting vote the Senate's amendments were concurred in by the House, and this bill went to the President of the United States with practically the unanimous indorsement of both the Houses of Congress and should have, we think, received the indorsement of the President and made a law.

This bill was vetoed by the President and the responsibility for its failure must fall upon him and his party, which could have enacted it into law regardless of his veto, if they would have done so by casting their vote to override the President's veto.

We are informed that a caucus was held by the Republican Party behind closed doors on the night before this veto was received by the House, and in said caucus they bound themselves not to override the veto of the President. If this caucus had not been held and it had been left open for every man to vote as he saw fit and as his conscience dictated, the result might have been different.

The holding of this caucus and agreeing not to override the President's veto before it had ever been made was certainly an encouragement to the President to veto the measure. By this act the Republican Members of Congress assumed the responsibility for the defeat of this legislation in the form that it was presented in the bill that every Member of Congress had carefully studied for months, and had been supported by a large majority of them.

On the day before this veto was returned to the House a unanimous vote of both Democrats and Republicans in the House was to concur in the Senate amendments and let the bill become a law as amended.

On the day following we saw a large percentage of the membership on the Republican side, when the President's veto was not overridden, standing on their feet and cheering lustily the President in vetoing a measure as a bad piece of legislation they had unanimously voted for the day before.

Now, let us see what is the next picture in this scene. You had a rule reported by the Rules Committee making it possible for the taking up for immediate consideration a new bill just introduced that the membership as a whole had never seen and had been given no opportunity to study, and which was to be passed in 40 minutes without allowing any amendments whatever to it. To refuse to pass it would be to deny any relief whatever to these suffering veterans, and this bill was passed with only 4 votes against it in the House and sent to the Senate, where they would have an opportunity of amending it and putting it in shape so it would do justice to these suffering men.

Under the provisions of this last bill passed a soldier suffering with as much as 49 per cent total disability is given the pitiable sum of $12 per month. That is not my idea of justice, and it is not right to the man who made this great sacrifice for the peace and happiness and security of our Nation.

The responsibility for this class of legislation must fall upon the Republican Party, and is not the Democratic idea of justice and fairness to this great number of suffering humanity who has made the great sacrifice for the security of us all.

Many millionaires were made by excessive profits in the war, and they are rolling in wealth while the soldier languishes in misery and poverty.

When these boys were away and while they were fighting our battles we said in our hearts that if they were permitted to return nothing would be too good for them. Let us hope that the Senate will so amend this bill as to do absolute justice to this number of great men.

Mr. SANDERS of Texas. Mr. Speaker, it is interesting to note something about the history of the legislation in the behalf of the World War veterans. The House passed the Johnson bill by a very large vote, and when it reached the Senate certain amendments were placed on the bill by the Senate. When it came back to the House, the House, by a unanimous vote, accepted the Senate amendments. The bill then went to the President who vetoed it. Notwithstanding the fact that the bill containing the Senate amendments was unanimously passed by the House, according to newspaper reports, the Republicans went into caucus and pledged themselves to sustain a threatened veto by the President, which of course encouraged the President to veto the bill. The next day after this caucus the President sent in his veto message which was sustained by a vote of 182 to 188.

This was a just bill and should have become a law. The sentiment of this country is that ample provision should be made for the care of those who made the supreme sacrifice. Many of these ex-service men have died while the Congress has been haranguing about this legislation. Concerning the President's veto of this just measure in their behalf, it might be interesting to recall here an article written by Old Timer in the Chicago Tribune some years ago when the soldiers' bonus bill was vetoed:

I remember the dawn of that cold, rainy day,
Our first time over the top;
How for hours we crouched in the mud of the trench
With our hearts going flippity flop.
And at last came the word—and over we went
Where the bullets whistled and spat;
And shrapnel screamed 'round like devils from hell
But—nobody vetoed that.

I remember a night in a thick, marshy wood,
When the boche gave a chlorine-gas ball;
We couldn't fight back, we were held in reserve—
Had to stay there and take it—that's all.
And thicker and thicker the stinking fumes grew
While we lay there sprawling out flat,
Choking and cursing—but holding our ground;
And nobody vetoed that.

I remember the nights when with pick and spade
We scooped shallow graves for our dead;
No songs could be sung—there were snipers around—
Not even a prayer could be said.
We had to work fast, for with coming of day
The guns would start in to chat;
Without coffins or blankets we laid them away—
And nobody vetoed that.

The President in his veto message complained about the cost. This seems strange in view of the fact that the Government is now spending money like drunken sailors. The second deficiency bill carries an appropriation of $68,000,000, some of the items in it being $10,300,000 for a new Post Office Building in Washington; $10,000,000 for a Department of Justice Building; $4,750,000 for a Labor Building; and a like amount for an Interior Building; and $2,000,000 for a wing to connect the last two buildings mentioned. It is all right, it seems, to spend $2,000,000 for a "wing," but nothing for the soldiers. Other items included in that deficiency bill were $3,000,000 for refacing the State, War, and Navy Building, and $2,000,000 for landscaping the block bounded by Pennsylvania Avenue east and Fourteenth and Fifteenth Streets NW., and for additional land in a triangle; $865,000 for a Public Health service building. One would have to write a book to give an account of all the expenditures of the Government which are not urgent at this time. In fact, the Government is tearing down perfectly good buildings in the city of Washington and erecting new buildings at an enormous cost simply to make Washington beautiful. As an American citizen, I would like to see Washington beautiful, but I do not want to see it beautiful by an enormous waste and expenditure such as the Government is now conducting. To tear down perfectly good buildings in order to make the city more beautiful is a crime, and when we think of wanton expenditures of the Government along various lines, the canceling of over $11,000,000,000 of war debts, and remembering the fact that the Secretary of the Treasury, Andrew Mellon, has refunded since he has been in office to the large corporations of this country $2,861,852,286.08, we are made to wonder why the President complains about cost of adequately caring for the World War veterans. The refunds which I have just mentioned are contained in the CONGRESSIONAL RECORD of June 24, page 11597, in the speech of Congressman GARNER, of Texas.

Let me say in conclusion that when the President's veto of the veterans' legislation reached the House and was sustained, the Republicans stood up and applauded; they applauded the veto of a bill that every one of them had voted for on the day before. In my mind this is an act of demagogy and inconsistency which doubtless has no parallel in the history of any legislative body of the world.

Mr. MILLIGAN. Mr. Speaker, I voted against H. R. 13174, a bill to amend the World War veterans' act, which passed the House on Wednesday last. This bill was a hodgepodge thrown together in a few minutes.

No Member was given an opportunity to know what the provisions of this bill contained. It was introduced only a few minutes before it was passed by the House. It was not referred to a committee for consideration. The bill was immediately called up to be voted upon under suspension of the rules, under which the debate was limited to 20 minutes to a side, with no opportunity to offer or consider amendments of any kind.

This, of course, was done to pull President Hoover out of a political hole. I condemn playing politics with the welfare of the disabled ex-service men, who are suffering and dying as a result of their services to their country in its hour of need.

These men did not play politics during their service. I have seen the Republican fight by the side of the Democrat, and one was just as patriotic as the other; I have seen the Republican die by the side of the Democrat and one was just as brave as the other. When one of them fell mortally wounded we did not ask what ticket he voted. When we laid him at rest and raised above him a little white cross that marked a hero's grave we did not write thereon his political faith, we did not know and we did not care; all we knew was that he was a true American and had given his all for his country. So when you legislate for these disabled men you should do it with the same spirit that they fought for you.

I served on the World War Veterans' Committee for several years and helped to write much of the law that is now upon the statute books. I know that the majority of ex-service men are as conservative about legislation as any other class of our citizens. The service men of yesterday are the taxpayers of to-day. They feel the burden of high taxes as keenly as any other taxpayer. They are not asking that you throw open the doors of the Federal Treasury to them because of their service. They are willing to carry on as long as they are physically and mentally able to do so. But they do demand that their disabled comrades who are bedridden and dying in need, be cared for in a proper manner without further delay and red tape.

This bill not only discriminates between World War veterans but discriminates between the World War veterans and the veterans of other wars. No pension bill ever passed by any Congress required that the veteran must have a 25 per cent permanent disability in order to receive the minimum rate. I wish to compare for you the rates carried in the Spanish War veterans' pension bill which was passed over the veto of the President at this session and this bill:

Spanish-American War veterans

	Per month
One-tenth disability	$20
One-fourth disability	25
One-half disability	35
Three-fourths disability	50
Total disability	60

World War veterans

One-tenth permanent disability	Nothing.
One-fourth permanent disability	$12
One-half permanent disability	18
Three-fourths permanent disability	24
Total permanent disability	40

You will notice there is a discrimination (1) as to the rates of pension granted; (2) as to the degree and nature of disability.

Under this bill the conscientious objector, who refused to wear the uniform or perform any military service, is given a pension and put upon the same plane as the man who bared his breast to the enemy.

This bill also provides that before a veteran is entitled to come within its provisions he must prove that he has not paid a Federal income tax for the year preceding the filing of his application. In other words, show that he is a pauper. Such a provision was never enacted in any other pension law.

Another injustice in this bill is in section 14. Under the present law veterans having arrested tuberculosis receive $50 per month; the last paragraph of this section reduces this to $25 per month.

President Hoover stated in his veto message on the Rankin bill:

> But I want a square deal between veterans—not unjust discriminations between special groups—and I do not want wasteful or unnecessary expenditures.

Does this bill give a square deal between veterans? Are there not unjust discriminations? I do not think it is a wasteful or unnecessary expenditure to properly care for a sick and disabled veteran and feed his starving babies.

Our Government appropriated money to feed the starving children of Belgium, Russia, and even Germany, yet it would be wasteful and an unnecessary expenditure to compensate the disabled veterans so that they could feed their own starving children.

Under the present law the veteran can not even file proof to show that his disability was due to his service.

I do not think it a great injustice to the Government to put the burden of proof on it in these cases. The Veterans' Bureau has high salaried experts for this work, lawyers, doctors, and other specialists. And merely to put upon the Government the burden of disproving service connection, after the veteran has established a prima facie case is what the Rankin bill did. It was presumed that the disability was due to service if it developed prior to January 1, 1930. The Veterans' Bureau could rebut this presumption by clear and convincing evidence. It seems to me that this is not only fair to the veteran but to the Government.

When the Rankin bill was pending executive action, Secretary Andrew Mellon was brought forward by the administration to make his usual statement on veteran legislation, that there would be a deficit in the Treasury if this bill became a law.

There is nothing unusual about this. I remember in 1924, when the World War compensation bill was up for consideration, Mr. Mellon made a convenient error of $900,000,000 in his estimates to show there would be a deficit. But I do not

remember of hearing any protest from Mr. Mellon when his department refunded income taxes in the amount of $2,861,852,286.08 to certain corporations of the country. Twelve million in round numbers going to Mr. Mellon's own corporations, without going to court for a decision, even though the court has since held the recipient was not entitled to such refunds in some of these cases. I do not remember of Mr. Mellon shouting "deficit" when his foreign debt commission, with the approval of the admiinstration canceled $10,705,618,006.90 of the debt the nations of Europe owed to us as an honest and honorable obligation.

Neither did he cry "deficit" when he recommended giving back to the corporations of the United States $160,000,000 in taxes due and payable this year.

This cry of "deficit" is only raised by Mr. Mellon when the veterans' interest is at stake. The men that saved and protected Mr. Mellon's millions and the millions of the 300 corporations of which he was director when he became Secretary of the Treasury in 1921.

These people who had grown fat upon the services and life's blood of these disabled men during the war. These service men are now merely asking for justice.

Mr. ESLICK. Mr. Speaker, ladies and gentlemen of the House, I supported (H. R. 10381), an act to amend the World War veterans' act, as amended, and commonly known as the Rankin bill. This bill was vetoed by the President on June 26, 1930. It failed of passage in the House—the veto of the President to the contrary, notwithstanding. When this measure failed to pass over the President's veto, immediately H. R. 13174 was introduced, and consideration was at once given to it. The rules were suspended; and after 40 minutes' debate, it was passed by the House with only four votes against it.

It is safe to say that if the Rankin bill had not been pressed, there would have been no veteran legislation at this session of Congress. Not only the veterans and their organizations, but the public was demanding fair and just legislation. The administration was forced to pass relief legislation for our ex-service men. The President and his last two predecessors have wielded the veto power against relief legislation for our soldiers. President Harding vetoed the adjusted compensation bill, known as the bonus bill. President Coolidge vetoed practically the same measure, and would have denied relief to our boys had Congress not passed it over his veto. At the present session, President Hoover vetoed the Spanish-American War pension bill. It was passed over his veto, by a vote of 299 for, and only 14 votes in the House sustaining the President; and the vote in the Senate for the passage of the bill over his veto was 66 to 6.

To keep the record straight, President Hoover vetoed the Rankin bill. This veto was sustained. Then came the present bill, which in effect is a service pension bill.

The President sat by until the Rankin bill was ready for passage before he assumed leadership in destroying it. He first denounced it in the name of economy, as a deficit in the Treasury would be threatened. Of course, there was nothing to this claim. It was only an excuse to destroy the measure. The Treasury balance at the end of the fiscal year is around $200,000,000; but when the veto came through other reasons were set out as controlling.

The bill under consideration contains 34 pages. Scarcely a Member of the House saw this bill until the road roller put it on for passage in the House. The rules were suspended and only 40 minutes were given for debate in the House. There was no time for study and consideration, yet it inaugurated a new policy that will ultimately mean the expenditure of billions of dollars.

This measure, while a step in the right direction, is not fair to the World War veterans and their dependents. Every man who has served his country in the hour of its need who is without means and has become incapacitated to earn a living should be treated alike, regardless of the war in which he served or his age. They are equally deserving.

Under the act of June 9, 1930, Union veterans, totally disabled, may receive $75 per month, and if an attendant is needed, an additional $25 may be received, making a total of $100. The youngest of these veterans is past 80 years of age. His family has been reared and is no longer a charge on him. The Government is quite generous to the Civil War veterans. I do not complain—only it should be fair and just.

The Spanish-American War veteran, totally incapacitated, can have but $60 per month. No attendant is provided for him, although he served his country just as well as the Civil War veteran. The President, by his veto, tried to limit the totally disabled Spanish-American War veteran to $50 per month, or one-half of the whole amount provided for the Civil War veteran under like conditions.

Then comes the World War veteran without service connection. Forty dollars per month is the limit he can receive. It is true he is a younger man than either the Civil or the Spanish War veteran; but this makes no difference—a man incapacitated by disease, either physically or mentally, is just as deserving as the man who is bowed with the weight of years. When the soldier's earning capacity is destroyed, he should have the generous consideration of his Government, and no class of its soldiers should be discriminated against. In fact, if a favor is shown, the World War veteran should have it because many of them have wives and young children utterly dependent upon them. It would take more to care for their absolute necessities.

The administration bill under consideration does not measure up to the real American standard. The widows and the dependents of the Civil War and the Spanish-American War veterans are taken care of through pension legislation. Not so in the case of the widows and children of the World War veterans who are without service connection. This bill is inequitable, unfair, and unjust to a very large number of World War veterans—especially to a great number of widows and dependent children.

I do not complain of what the Government has done for the Civil War and the Spanish-American War veterans. I have supported legislation helping these veterans and their dependents at this session of Congress. Additional provision was made for Union veterans and their widows, and for the Spanish-American War veterans.

I supported these measures. I voted for the Spanish-American War pension bill, and I voted to pass it over the President's veto. I supported the bill now under consideratiton, but it was only a step in the right direction. What I want to see is fair treatment to the World War boys. The rate for permanent disability, both partial and complete, as fixed for the Spanish veteran at least should have been written in this bill in behalf of the World War veteran. The same provision should have been made for their widows and dependent children as was made for the widows and dependents of other wars.

H. R. 13174, the administration bill, provides that—

> Any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War, and who is or may hereafter be suffering from a 25 per cent or more permanent disability, as defined by the director, not the result of his own willful misconduct, which was not acquired in the service during the World War, or for which compensation is not payable, shall be entitled to receive a disability allowance at the following rates: 25 per cent permanent disability, $12 per month; 50 per cent disability, $18 per month; 75 per cent permanent disability, $24 per month; total permanent disability, $40 per month.

The issue will arise on what is "permanent disability," and after the ex-service man gets it defined by the director—and those who have had experience know how hard it is to establish permanent disability—if he is rated 25 per cent permanently disabled, he will receive the pittance of $12 per month; one-half disabled, $18 per month; three-fourths disabled, $24 per month; and totally disabled he receives the maximum provided by the act, $40 per month. A totally disabled World War veteran receives two-thirds of the amount provided for the totally disabled Spanish War veteran, and 40 per cent of the amount provided as a maximum for the Civil War veteran. This is not right.

Some day the Congress will do justice to these boys. The time will come when they will receive the same treatment as the soldiers of the other wars, and a President will willingly approve the measure. He will not undertake to dictate what shall be provided for them. I shall welcome the opportunity to support this legislation. I believe the Nation should be generous in providing for our unfortunate soldiers. Under like conditions the same treatment should be accorded the disabled soldier, regardless of his age or the war in which he served.

Let us fully discharge our obligation to the ex-service man. A large number of disabled men though young in years need governmental aid, and their comrades justly demand that this be given to them.

The other body now has this bill, and a faithful effort is being made to write the higher rate of the Spanish War act into this law. The newspapers say the President will veto the bill if this is done. If we judge the future by the past, the President will by his veto destroy relief legislation to the ex-service man of the World War for this session of Congress, unless both

Houses pass the measure over his veto, which I trust may be done. The passage of this legislation is the duty of Congress. The approval, or the disapproval, of relief legislation to the ex-service men is the responsibility of the President.

Mr. SLOAN. Mr. Speaker, the swift-moving pension and relief legislation prompted the House to grant leave to all Members to comment upon the courses followed by Congress and its Members in their zeal to extend that measure of justice and relief which the present and future status of our Treasury may fairly warrant.

Few, indeed, Representatives or Senators, would refuse to act liberally with the veterans by way of compensation for that which they lost by wounds or disease. Nor would many of them be hypercritical as to the time following the war when such disease became manifest.

The cumbersome system called compensation originated with mingled best of purpose and prejudice of a large section of our people against the pension system which we maintained for the survivors of all our wars prior to the World War. The compensation system in theory is just, but is exceedingly difficult to administer. It is hard for veterans to learn their rights. It requires a legal education and practice to know how to obtain those rights.

One of the serious obstacles to establish a veteran's rights growing out of his war contacts is the difficulty either from war records or professional medical testimony to establish service origin for present disabilities or diseases. The authorization of lay evidence in this bill is a distinct factor in the veteran's favor.

Then the next serious defect in the law heretofore existing was the failure to provide for those veterans who having their usual vocation broken into by the war, returning to private life, under differing circumstances have suffered injuries, wounds, or disease which reduced their earning capacities, but which causes had no service origin.

It was never my thought, nor do I believe was it governmental contemplation, that our interest in the soldier ceased when he was granted an honorable discharge, containing a certificate of health. Our interest in him began when he entered the service by volunteer or draft. Our interest in him will continue while he is with us. Thereafter his widow and orphans will be our proper concern.

I voted for what was known as the Johnson bill, with Rankin amendment, recognizing at the time that it was ill-considered, and doubtful as to the number of veterans it might aid and how much it would now or later cost the Treasury.

The absence of relief provided for all those whose claim arose from post bellum causes was its greatest weakness. The expected wholesome amendment by the Senate did not materalize. The President's timely analysis and criticism of the Senate bill which would also apply to the original bill was made with a knowledge that the pension system, time honored and effective, will be the major form of relief, hereafter to be increased and extended.

To clear the record that both Houses of Congress could see their way, the direct process was to vote for the Senate amendment and then, after sustaining the President's veto, pass the new Johnson bill, which, amended by the Senate, is now the law of the land. It is generally conceded that the veterans receiving relief under this bill will be two to three times as many as under the vetoed measure. Measured by that yardstick and forecasting progressive liberalization along pension lines, with no veteran deprived of any right he now has, I voted to sustain the President's veto with the same readiness I had but a short time ago voted to override it on another pension bill.

Legislation is based upon agreement, compromise, and sometimes disagreement. Teamwork between Congress and the President should be sought rather than strenuously avoided. Disagreement should be avoided and not zealously sought.

Within these lines I believe the pension legislation of this session has been prudent and will be by the country approved.

Mr. BLACKBURN. Mr. Speaker, when I marched off to war in 1898 with my friends and comrades, as my father did before me in the stirring days of 1861, there was then no thought in my mind or in the mind of my father that we might some day have to appeal for aid to the Government for which we were so eager to fight and, if need be, lay down our lives. In 1917 thousands upon thousands of America's finest youth, the pick and flower of the country, marched off as we had done, resplendent in the glory of their courage and imbued with the finest patriotic fervor. Like us, they had no thought of pensions or disability compensation—they were animated with that mighty spirit which has made the United States the magnificent country that it is; it was their country, it was endangered by the hosts of lust and greed, and they were flying to its defense.

Twenty-five years after the Civil War had come to an end the needs of my father's comrades—those men who fought so nobly and so long to defend and preserve the Union—were recognized. Many of them were maimed and disabled and could not earn their living unaided. Homes had been rendered destitute by the loss of father and husband—widows and children had been left without the sustaining love and support of their dear ones. The maimed and disabled were pensioned; the mothers and widows were cared for by the Government in whose defense they had given up their lives and their health. It took their Government, however, 25 years to see and fulfill its obligation.

The Spanish-American War, which ended officially in 1902, saw a duplicate of the conditions which prevailed after the Civil War. Almost two decades intervened before their Government saw and performed its duty to the Spanish War veterans. In those intervening years, as in the 25 years immediately following the Civil War, the American soldiers who marched off so bravely and sturdily to defend their country had to undergo untold hardships of misery and suffering because the United States Government was not as unselfish to them as they had been to it and hesitated long before extending pension aid to them.

The World War ended officially on July 2, 1921, and now is nine years in the past. Despite the object lessons of 1861 and 1898, and the lurid pictures of suffering which have been engraved upon the minds and hearts of every thinking American citizen, the country is only now recognizing its duty to the thousands of brave American boys who so quickly saw and performed their duty to their country. Who would attempt to measure by the yardstick of dollars and cents the suffering and misery which these young patriots so unhesitatingly took upon themselves in fighting for their country? Who would dare to say that in pensioning these World War veterans we are discharging in full our debt to them? Debts like these can be weighed only in the balance with gratitude; and never are outweighed, not even by the most liberal pensions. We can not show our gratitude by performing our duty. In passing this pension bill we are discharging our duty to those soldiers; our great indebtedness still remains. We told them when they marched off to the war with Germany that nothing was too good for them. Now we haggle amongst ourselves for fear we are giving them too much, for fear we may strain the Public Treasury. Had it not been for these soldiers we might not have a Public Treasury to be so exceedingly solicitous about.

It is true that the pension rolls of the country will probably be swelled larger than ever before; but when we talk of this and compare conditions with those of the days shortly after the Civil War and the Spanish-American War, and when we think of the enormously larger sums which will have to be spent on pensions, we must not forget that this is a much larger country and a much richer country also than in those days, that many thousands more of soldiers were mustered into the Army, willing to give up their lives. Despite the fact, which is unquestioned, that many thousands more will be on the pension rolls than ever were before, we can not allow this fact to deter us for one moment from acknowledging and meeting our obligations to these veterans.

The great fact with which we are confronted now is that there are thousands of World War veterans disabled and incapacitated, some from injuries received since leaving the Army, some with injuries and sickness which probably did arise from Army service but are not provable as such. All these boys will be aided by the Government which owes them so much. In considering these pension bills we must disregard passionate political controversy and deal with it with common justice.

Our new disability law is a progressive step forward. It takes care of those who have been neglected heretofore, and yet does not disturb the rights of those who were actually disabled while in the Army. I hope in time to see all soldiers rated alike, in so far as their pensions and compensations are concerned. I hope to see a more equitable system of caring for the sick and maimed and disabled. We owe it to these boys and we owe it to ourselves. I hope in time to see the day when every soldier with an honest grievance or an honest claim to aid may secure that aid and air that grievance without having to hire an attorney, without having to travel so many miles from his home. I hope in time to see our Government more ready to recognize its duty to the soldiers who so instantly discharge their duty to the country. This country has been through the fires and horrors of war enough to learn the kind of aftermath to look for, and it is high time that it look immediately for that aftermath and make proper provisions therefor. The soldiers for whom nothing is too good

in time of war, the boys who are so glorified in time of need, should receive everything that is good in time of peace, and should be equally honored in the days of calm and happiness as they were in time of war.

Mr. YON. Mr. Speaker, ladies, and gentlemen, I had not intended to say anything more on any subject the balance of this session of Congress, but after I have observed the tactics and the results achieved thereby, by the majority during the consideration of World War veterans' legislation, the steam roller tactics, the scheming of the leadership in preventing a roll call directly on the question of Senate amendments, as was done in the House on Wednesday, I say I can not restrain myself from making some observations.

Of course, with the over 100 majority the opposition controls in this House, it would be presumed that you can control, but in the meantime it seems that your leaders would be willing and fair enough to have at least permitted a roll call on the question of Senate amendments, the most important of course, the one advancing the monthly rates of compensation to disabled veterans from rates of $12 to $40 per month for one-fourth to total disability, to rates of from $10 to $60 per month for from one-tenth to total disability.

What can be your explanation to the four million and more of the boys of 1917 and 1918, who answered the call of country, braved the perils of a submarine-infested sea, and millions of these joining with their allies on a foreign soil to fight a common enemy—and these boys, their fathers, mothers, sisters, brothers, wives, and sweethearts, depending on the Government that these dear ones were backing up during these trying times to do justice to those that lost health, or in any way became disabled to do the just and fair thing by these boys.

The start was good. Under the Democratic administration the first disability-compensation bill was passed. War-risk insurance at the very lowest cost possible was made available. The war was over, the boys came back, a presidential election, and a change in administration, and a fight on all beneficial veteran legislation ever since, with a culmination in what has taken place in this House during the past two weeks, and especially yesterday.

Of course, I know your excuse—the condition of the Treasury—but why should a recommendation be made by administrative heads, that a reduction of income taxes be made that estimated a reduction of from $160,000,000 to $175,000,000 would be saved to those most able to pay taxes, mostly the ultrarich and well-to-do. And right on top of that dictate to the Congress that these boys—hundreds of thousands of them—should not have any consideration for the illness and suffering that has come upon them. I want to ask you if this is fair and just. Has the Congress come to the point that it intends to legislate in the interest of the special-privileged class, help to make the rich richer and the poor poorer? The disabled and sick veterans are given no consideration, only a measly sop.

I will admit though, if the Veterans' Bureau would permit a liberal construction of the present laws that there would not be such great need for any additional legislation, but with the administration of the law as it is now being administered, looking to the conservation of the balances in the Treasury, to the extent that thousands that can not produce written and sworn testimony as to their service connection of disability. I will say they are technically barred from the benefits of a law that was passed for their benefit.

Now, in closing, I will say that even with the passage of the bill that meets the approval of the President, as it is to be administered through the Veterans' Bureau it will be very expensive in its administration on account of the necessary expenses incurred on the part of the bureau in sending these veterans to headquarters or regional offices for examination, and will in no way satisfy the veterans who feel that they are entitled to more consideration than this proposed law will permit. Nevertheless, those who are responsible for this monstrosity I hope will be held to strict accountability, for there will be more expressions of dissatisfaction heaped upon the Members of Congress than they have had to contend with in many a day.

Mr. STONE. Mr. Speaker, this session of Congress has made the most liberal contribution to the veterans of all wars of any Congress since the establishment of the Government.

A great many veterans have been remembered, and while it has not been possible to get everything that has been asked for, the Members of Congress who have made a fight for the veterans and who have voted and worked for the passage of each and every law for the benefit of the veterans feel that a great amount of good has been accomplished. I am glad to state that I have voted and worked for the passage of each and every law and for every liberal amendment that would in any way take care of those who were deserving. I wish to state at this time that as long as I am a Member of Congress I will continue to work for, and to vote for legislation of every kind and character that will be beneficial to the veterans of all wars, and their widows and orphans.

It has been estimated than over 1,000,000 Americans, including the veterans of all wars and their dependents, will receive direct or indirect benefits from the veterans legislation passed by this Congress.

We should not forget that there has never been a time since the establishment of this Government, whenever it has been threatened and the President of the United States has issued a proclamation calling into service the sturdy manhood of our country, that they have not willingly responded to the call. They have offered their services in defense of their country without any thought of their personal interest, and have been plunged into both civil and foreign wars. We should remember that thousands sacrificed their lives, others were maimed, shell shocked and gassed, and broken in health were unable to return to their former avocation and support themselves and their dependents.

We are the wealthiest Nation in the world and we could ill afford to treat these veterans and their dependents otherwise than with the greatest of liberality.

It has been intimated that some of the veterans who are receiving pensions, compensation, and other benefits from the Government are ungrateful and do not appreciate what is being done to in some way repay them for their sacrifices. I wish to state that I find this is not true, but on the other hand they are not only thankful for the assistance rendered them by the Government but freely express their gratitude. My experience after 16 months of service in Congress has convinced me that the veterans of all wars are at all times anxious and willing to show their appreciation, and I have received hundreds of letters testifying to their gratefulness for the assistance rendered them by the Government.

I have never had a request that would be considered unreasonable, and my dealings with these veterans in all cases has been very pleasant and entirely satisfactory. I trust that I will be able to be of service to many thousands of veterans under the new legislation that has been passed by this Congress. The veterans of all wars are invited to make any inquiry, or submit any matter that requires attention, and I will see that it receives prompt attention by the various departments of the Government.

In this connection I wish to call particular attention to a matter that should be of vital interest to every citizen, and especially to the veterans who have business of any kind to be attended to in Washington before the departments. I think the public is entitled to know that a Congressman is allowed the sum of $5,000 per year by the Government to pay the salary of a secretary and other office employees. I wish to further state that in some cases the Congressman has seen fit to take this allowance which is made by the Government, and which is in no way a part of his salary, to hire inefficient office assistants, and by placing his wife or other relatives on the pay roll, appropriate by this means the greater part of the allowance for clerk hire to his own personal use. This act on the part of the Congressman causes neglect of the work in the office, and the veterans' affairs, and other matters that should receive prompt attention are neglected, and not properly taken care of, thus working an injury directly on the veterans, and in many cases denying him the pension or compensation to which he is justly entitled. I wish to state that I use the entire amount allotted to me by the Government for clerk hire, and have in my employ the most efficient secretary, and other office employees, that this money furnished by the Government will permit.

I have always had the highest admiration for that great statesman and advocate of personal liberty, Thomas Jefferson, and I now wish to quote his own words, with reference to the placing of relatives on Government pay rolls.

THE WORDS OF THOMAS JEFFERSON

The public will never be made to believe that an appointment of a relative is made on the ground of merit alone, uninfluenced by family views; nor can they ever see, with approbation offices, the disposal of which they intrust to their President (Congressman) for public purposes, divided out as family property.

THOMAS JEFFERSON,
President of the United States, year 1803.

Do you think Jefferson was right, or do you think a Congressman is right when he places his wife on the Government pay rolls, when she performs absolutely no labor for the money which she receives? It is a cheap form of graft and no real statesman should stoop to that practice, especially when by so doing the official business of his constituents has to be neglected.

Specifically referring to the matter of secretary I will state that I have employed in my office at this time as secretary, Sydney Corner, of Oklahoma City, Okla., a member of the auxiliary of the American Legion, with years of experience in handling veterans' affairs. She has the deepest feeling of sympathy for the veterans and their cause. Personal interest is shown in each and every claim handled by my office, and in many cases it is neccessary to appear before the Veterans' Bureau in person. My secretary has the highest standing before the Veterans' Bureau, and has demonstrated her efficient handling of all veterans' matters.

I have as assistant secretary, Mr. Ben H. Colbert, of Oklahoma City, Okla., a Rough Rider in the Spanish-American War, a World-War veteran, a member of the American Legion, a member of the United Spanish War Veterans, and other military organizations. He served in the Cuban campaign, and as orderly to Col. Theodore Roosevelt saw active service, riding by the side of this great American, who was his personal friend. He is vitally interested in seeing that the requests of all veterans and their dependents receive just and prompt attention and that their wants are taken care of.

I am very thankful that I can obtain such efficient assistance in the handling of veterans' affairs, and as long as I remain a Member of Congress I will use the funds furnished me by the Government for clerk hire, and I will not place my wife or other relatives on the pay roll for my own private gain, and to the direct neglect of my constituents, and especially the veterans whose claims demand special attention before the department.

To the soldiers of America; to those who have passed on, to those now living, we owe everything. In their behalf there is no sacrifice, however great, which we should not willingly make, to in a small way show our gratitude for the suffering and sacrifice they made for our country. The Government can never fully repay them for their unselfish devotion to the defense of their country, given at the critical moment when they were called to duty. Many of these veterans have found it difficult to support their families, on account of loss of earning capacity caused by service, and I am glad that Congress has seen fit to compensate them in a small way for this loss.

I hope that another war will never come, but if it does I favor a law that will draft all property and money for the common defense, and I will never favor a draft of men unless the fortunes of the rich are pledged for the defense of the country, as well as the manhood which has always stood all the brunt of war.

Profiteering must cease, and a law should be enacted to punish those who make a profit by the instigation of war. I am in favor of sensible preparedness but do not approve of a great standing Army, or a Navy that is a burden to the people. America is a peaceful Nation but if necessary will defend its border to the last, and will never be invaded by an enemy.

In justice to the veterans of all wars, and as proof that they are grateful for the benefits they are receiving from the Government, I am going to read to you a few of the many letters which I have received from these veterans and their friends during the past few months. I will also name a number of others who have written similar letters of appreciation but time will not permit the reading of their letters in full, but I will in justice to them insert their names as a permanent testimonial to show that they are appreciative of the services that have been rendered them.

Copy of letter received from the West Side Woman's Christian Temperance Union, Guthrie, Okla., dated May 3, 1920.

NOTE.—With reference to this claim for back pay for approximately $900 and $30 per month.

Hon. U. S. STONE,
Washington, D. C.

DEAR SIR: Each individual member of the West Side Woman's Christian Temperance Union of Guthrie wish to individually and collectively thank you for your interest in obtaining the pension for Mrs. Mattie Mundorf.

We do not believe any widow on the pension rolls needed or deserved a pension more than Mrs. Mundorf. She was simply overwhelmed by the good news, and every member of the Woman's Christian Temperance Union were pleased and heartily thank you for your interest.

Yours truly,

WEST SIDE WOMAN'S CHRISTIAN TEMPERANCE UNION.
Per MRS. MAE BRAKEBILL, *President*,
MRS. ANNIE M. ALLING, *Corresponding Secretary*.

Copy of letter from Luther E. Chaudoin, Davis, Okla., April 5, 1930:

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

DEAR MR. STONE: I am pleased to write and tell you that favorable action has been taken on my case. The Veterans' Bureau has awarded me an allowance based on a rating of from 10 per cent to 21 per cent to 45 per cent to total and back to 21 per cent over a period of six years; with a 21 per cent continuing.

I want to express my thanks and appreciation to you for helping me with my claim to a successful conclusion. I would have not gotten it if you had not assisted me, and you may rest assured that I am grateful to you, and you can depend on me.

The Veterans' Bureau has already mailed me a check for $891.39, and the remainder of back allowance will be made as soon as I establish my dependency status. I have already sent in the necessary documents for this. With best wishes, I am

Sincerely your friend,

LUTHER E. CHAUDOIN.

Copy of letter from Mr. David J. Wenner, 923 West Tenth Street, Sulphur, Okla., dated June 3, 1930.

NOTE.—This claim has been allowed for approximately $5,000, insurance benefits which had been pending for a long time.

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

DEAR MR. STONE: I received your very much appreciated telegram this afternoon. It is certain that, if I had not been already in bed, that I certainly would have had to go. That news, welcome as it was, and awaited so long as it has been, was decidedly a shock, albeit a happy one. Really it is very difficult to find the proper words to express what your kind assistance and persistent efforts have meant to me and my family. Perhaps when I tell you that the settlement of that claim means the final ownership of our home here, the establishment of a fund for the education of our 10-year-old son, and the providing of some little comforts and convenience for the girl who has stuck so faithfully through the times that have been anything but easy, then you will understand something of what I mean when I say that I thank you.

If ever I, in my small way, can repay in part your favors, please call upon me to the extent of my ability. Whenever you happen to be in Sulphur we would be honored if you would call and afford us an opportunity to express personally our gratitude for your efforts in our behalf.

Wishing you the best for the future, and sincerely hoping for your success in your present campaign, and a return to the House, where you have ably demonstrated your fitness and ability, I am,

Most sincerely yours,

DAVID J. WENNER.

Copy of letter from Mr. Deselms, Guthrie, Okla., dated March 26, 1929.

NOTE.—With reference to this case, $808.32 back pay was received and pension for $50 per month.

U. S. STONE,
Member of Congress, Washington, D. C.

MY DEAR MR. STONE: Yours regarding R. C. Lane's pension received and I am forwarding same to Mr. Lane, who has moved to a farm. I am confident this will be very welcome news to Mr. Lane and his dependents, and I wish to thank you personally for the interest you have taken in this matter.

Very sincerely yours,

F. M. DESELMS.

Copy of letter from Mr. Fred E. Hysell, Sulphur, Okla., dated October 12, 1929.

NOTE.—Claim allowed with back pay for approximately $60 and $20 per month.

Hon. U. S. STONE,
Member of Congress, Washington, D. C.

MY DEAR MR. STONE: I have your telegram of October 4, 1929, informing me that my pension had been allowed at the rate of $20 per month beginning on July 16, 1929.

This is mighty fine work, and I thank you for putting this through for me so quickly.

I was for you in your former race, and I hope to be able to do you some good if you are a candidate again.

Your friend,

FRED E. HYSELL.

Notice of allowance from the United States Department of the Interior, Bureau of Pensions, dated May 10, 1929.

NOTE.—After this widow waited 20 years, I secured this claim which allowed for approximately $5,372.63.

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

MY DEAR MR. STONE: The claim for Rest. Pension under act of April 19, 1908, of Sarah M. Pollard, widow of Benjamin F. Pollard, Company G, United States Volunteer Infantry, has been allowed under

certificate No. 578162 at the rate of $12 per month from February 4, 1909; $25 from October 6, 1917; $30 from May 1, 1920; and $40 from June 4, 1928, and the certificate will be forwarded at an early date.

ED. D. MORGAN, *Commissioner.*

This claim was called up by you.

Copy of lettter from Mr. Herman I. Neal, first lieutenant, United States Army:

OKLAHOMA CITY, OKLA., *October 17, 1929.*

Hon. U. S. STONE, M. C.,
House of Representatives, Washington, D. C.

DEAR MR. STONE: I want to thank you for the interest you have taken in my claim with the Federal Government by securing me retirement with pay as a disabled officer of the World War.

There are not words to express to you as much as I appreciate what you have done for me. I feel that you have brought about justice, and I am very, very thankful to you. I am convinced without your aid I never would have received the award.

I wish there was something I could do to repay you for your goodness. I hope that some time in the future I will be privileged to serve you with equally so much interest and sincerity as you have shown in my behalf in adjusting my claim with the Veterans' Bureau officials.

There are thousands of deserving disabled boys who are not being treated right by the rating boards and a few doctors of the regional offices of the bureau, so anything that you can do for the fellows the boys and the good people of Oklahoma will appreciate.

I am, respectfully,

HERMAN I. NEAL.

Copy of letter from Mrs. J. O. Wright, Davis, Okla., dated December 3, 1929:

U. S. STONE,
Member of Congress, Washington, D. C.

MY DEAR MR. STONE: I have just received a letter from the Navy Department telling me that my son is to be transferred to the United States and will be discharged soon.

I certainly thank you for your time and attention in the matter.

Mrs. J. O. WRIGHT.

Copy of letter from Mr. Clyde Curlee, 2330 South Harvey Street, Oklahoma City, Okla., dated April 27, 1930.

NOTE.—This is for an increase of pension and this veteran is now drawing $90 per month.

Hon. U. S. STONE,
Member of Congress, Washington, D. C.

DEAR FRIEND: Thank you for your aid in receiving the increase in pension of William V. Smith, 1814 Linden Avenue, Oklahoma City, Okla. In the rush of spring work I overlooked writing you on receipt of your telegram, stating the increase had been allowed. I worked on this case simply because I felt the increase was deserved.

Very truly yours,

CLYDE CURLEE.

Copy of letter received from Mr. C. L. Hales, the Local Building and Loan Association, Oklahoma City, Okla., dated May 22, 1930.

NOTE.—Transfer to the Veterans' Bureau hospital, Muskogee, Okla., from the hospital in Outwood, Ky.

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

DEAR SIR: In answer to your wire of the 19th, I wish to thank you for getting Mr. Jesse F. White transferred from the Veterans' Bureau hospital of Outwood, Ky., to the Veterans' Bureau hospital of Muskogee, Okla.

I wish to state that all concerned are very happy and very grateful to you for what you have done.

Assuring you that I wish you well in the coming campaign and that I will do all I can to help make it a successful one, I remain,

Yours very truly,

C. L. HALES.

Copy of letter received from Mr. Jesse F. White, United States Veterans' Hospital, Outwood, Ky., dated May 29, 1930:

Hon. U. S. STONE,
Washington, D. C.

HONORABLE SIR: Your wire of May 19 received shortly after noon of same day and closely following it came a letter from the commission inclosing transportation, letter of admission, and notice of transfer effective when the Muskogee hospital informed me of a vacant bed.

I wish to take this measure of trying to thank you and express my appreciation for your efforts in securing this transfer for me, and it is my wish that some time in the near future that I might be able to thank you personally for the many favors extended me.

In expressing my thanks and appreciation I speak for my wife and family as well, and it is our desire that in the future we will be able to demonstrate by actions more than words our gratitude.

Wishing for you and yours success and prosperity, and the realization of your ambitions, and again thanking you and assuring you of our support, I am

Sincerely yours,

J. F. WHITE.

Copy of letter from Mr. William Hutchinson, department commander United Spanish War Veterans, Ardmore, Okla., dated June 10, 1930:

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

DEAR SIR: Permit me to express to you, both personally and for the Department of Oklahoma, our sincere thanks for your splendid efforts in behalf of the soldiers and sailors of the Spanish War and Philippine insurrection and their dependents.

In grateful appreciation, I am

Very respectfully,

WILLIAM HUTCHINSON,
Department Commander.

Copy of letter received from the United States Veterans' Bureau, Washington, D. C., dated June 12, 1930:

Brown, Artie E. XC 92 175.

Hon. U. S. STONE,
House of Representatives, Washington, D. C.

MY DEAR MR. STONE: Referring to your letter of June 3, 1930, you are informed that the insurance in this case in the amount of $5,178 was awarded to Mrs. Ruth Lanham, 509 West Seventh Street, Oklahoma City, Okla., as administratrix of the estate of the above-named veteran.

Check in full settlement was mailed to her on June 11, 1930. A copy of this letter is inclosed for your use.

For the director:

GEORGE E. IJAMS, *Assistant.*

A copy of letter from Messrs. Priest & Belisle, attorneys at law, 404 Fidelity National Building, Oklahoma City, Okla., dated June 14, 1930:

Hon. U. S. STONE,
Congressman from Oklahoma,
Washington, D. C.

DEAR SIR: Your telegram advising that check had been mailed Mrs. Ruth Lanham received.

We sincerely appreciate what you have done for us in this matter and if, at any time, our firm or our client can serve you, please be sure to call on us.

Yours respectfully,

HARRY W. PRIEST.

Copy of letter from United Spanish War Veterans, Roosevelt Camp, No. 1, Oklahoma City, Okla., June 25, 1930:

Hon. U. S. STONE, M. C.,
Washington, D. C.

DEAR SIR: On behalf of Roosevelt Camp No. 1, of Oklahoma City, I want to express to you our appreciation for the fine support you have given us in passing our pension bill over the President's veto. The unanimous vote was very gratifying.

Sincerely yours,

HENRY C. ROBERTSON, *Commander.*

Copy of letter from Thos. A. Higgins, Stillwater, Okla., dated April 12, 1930.

NOTE.—This claim allowed for increase of pension which would total pension to the amount of $90 per month.

Hon. U. S. STONE,
House of Representatives,
Washington, D. C.

MY DEAR MR. STONE: Mr. David Blanch, for whom you recently procured increase of pension, and his son, John Blanch and family, desire me to express to you their sincere appreciation of your efforts, and the result of them, in the above matter. They also asked me to assure you that if they could be of any service to you in any matter you might rely upon them to render it most cheerfully.

I want to personally thank you, too, for the very effective manner in which you take care of business of your constituents there, and to say that if I can be of any service in my small way I shall be glad to do so.

With personal regards, I am

Respectfully,

THOS. A. HIGGINS.

I am also making notations of a few other claims which I have handled out of the several hundred that have been presented through my office to the Bureau of Pensions and the Veterans' Bureau. Under the new law affecting the Spanish-War veterans, and the World-War veterans' legislation a great many deserving veterans whose claims are now pending, and who were unable to get their pensions and compensations on account of defect of the old law will be taken care of. The

following are a few of the many claims which have been handled satisfactorily by me and upon which settlement has been made.

George Bilyeu, 712½ West Main Street, Stillwater, Okla.; Floyd Barefoot, Route 2, Purcell, Okla.; Eldridge Burton, Elmore City, Okla.; Gordon Brewster, general delivery, Oklahoma City, Okla.; Orvill Cunningham, Harrah, Okla.; Edward George Denton, 222 West Fourth Street, Oklahoma City, Okla.; Charles K. Frazier, Soldiers Tubercular Sanatorium, Sulphur, Okla.; A. F. Goode, 3060 West Twenty-first Street, Oklahoma City, Okla.; John H. Hughs, Paoli, Okla.; Edgar D. Hemby, 113 Harrison Avenue, Oklahoma City, Okla.; Walter B. Lewis, 218 West Ninth Street, Oklahoma City, Okla.; John Morphew, Soldiers Hospital, Sulphur, Okla.; Barney Morris McCurry, Route 6, Stillwater, Okla.; Walter Neblett, 909 Second Street, Veterans' Bureau Hospital, Muskogee, Okla.; Harry Nimms, Cushing, Okla.; Lucille Perea, general delivery, Oklahoma City, Okla.; Nathaniel Patillo, Wynnewood, Okla.; Charles Tippit, Box 124, Purcell, Okla.; Mrs. J. A. Wright, Box 401, Davis, Okla.; Thomas L. Pierce, Route 1, Norman, Okla.; James Brucker, general delivery, Oklahoma City, Okla.; Louis Brussells, 811 North Brauer Street, Oklahoma City, Okla.; William Cook, 1249 Grand Avenue, Oklahoma City, Okla.; Mary E. Dawson, 304 East Eleventh Street, Oklahoma City, Okla.; John Gragg, general delivery, Oklahoma City, Okla.; Mrs. W. R. Jones, Norman, Okla.; John M. Kelly, Ripley, Okla.; William S. Kiespert, Route 7, Guthrie, Okla.; Martin Myers, Sulphur, Okla.; Calvin L. Pyles, Pauls Valley, Okla.; Thomas C. Parker, 1909 North Prospect Avenue, Oklahoma City, Okla.; Hamilton Rutledge, 1001 Cotton Grain Exchange, Oklahoma City, Okla.; Henry C. Robertson, 1401 East Fifteenth Street, Oklahoma City, Okla.; William V. Smith, 1814 Linden Avenue, Oklahoma City, Okla.; William Glenn, Wynnewood, Okla.; C. M. Kinney, 1911 West Eighteenth Street, Oklahoma City, Okla.

PRINTING THE BILL H. R. 13174 AS A PUBLIC DOCUMENT

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent that there be printed 10,000 copies of the bill which just passed the House, or as many copies as will comply with the rule with respect to cost, and that these copies be sent to the document room and made available to the Members of the House.

The SPEAKER. The gentleman from South Dakota asks unanimous consent that 10,000 copies of this bill be printed as a public document, or so many as may come within the legal requirement. Is there objection?

Mr. SABATH. Mr. Speaker, reserving the right to object, may I ask the gentleman if he would not order 10,000 copies showing not only this bill but all the laws relating to benefits for veterans in accordance with present law?

Mr. JOHNSON of South Dakota. I may say to the gentleman that that could not be done by unanimous consent, because it would violate the rules on account of the cost being too high.

Mr. GARNER. Mr. Speaker, in order to cut the matter short I will object, for the reason that this bill is not going to become law, so why print it. I object.

SUPPLEMENTAL REPORT ON THE BILL H. R. 10658

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill (H. R. 10658) to amend section 1 of the act of May 12, 1900 (ch. 393, 31 Stat. 177), as amended (U. S. C., sec. 1174, ch. 21, title 26), and to include the provisions required by the Ramseyer rule.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

DONATIONS OF SITES FOR PUBLIC BUILDINGS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12343) to authorize the Secretary of the Treasury to accept donations of sites for public buildings, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Cleark read the Senate amendment, as follows:

Page 1, line 5, strike out "and so forth."

Mr. RAMSEYER. Mr. Speaker, reserving the right to object, and my reservation to object goes to the practice of Members crowding into the well of the House to present requests to call up bills, I shall object hereafter unless the gentlemen who present unanimous-consent requests present them while standing outside of the well of the House. A gentleman seeking recognition, should rise in his place and address himself to the Speaker, so all the Members can hear him. If each Member will observe this rule, all Members will know what is going on, and we will have better order.

Members are getting in the habit, when they want to submit a unanimous-consent request, to get down into the well, crowding up to the clerks there, and addressing the Speaker in a low tone of voice. Of course, the Speaker must know what is going on, but every Member of the House is as much entitled to know what the request is and what is going on as is the Speaker himself. The responsibility for legislation is upon every Member.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. O'CONNOR of Oklahoma. When every Member of the House is talking to the right or left of the gentleman and causing a lot of confusion, how can the gentleman expect to hear what is going on?

Mr. RAMSEYER. We can start more orderly procedure by having those who prefer requests to present them not farther forward than the committee table here, and if the gentleman from Indiana will step back to the committee table I shall withdraw my reservation to object.

Mr. GARNER. Mr. Speaker, it is my understanding this is a bill introduced by the gentleman from Tennessee [Mr. BYRNS.]

Mr. ELLIOTT. Yes.

Mr. GARNER. And the Senate amendment simply strikes out the words "and so forth."

Mr. ELLIOTT. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

INTERSTATE TRANSPORTATION OF BLACK BASS

Mr. PARKER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 941) to amend the act entitled "An act to regulate interstate transportation of black bass, and for other purposes," approved May 20, 1926, with House amendments, insist on the House amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. NELSON of Maine, WOLVERTON of New Jersey, and MILLIGAN.

AMENDING SECTION 24 OF THE IMMIGRATION ACT

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Washington asks unanimous consent to take from the Speaker's table the bill H. R. 9803, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. CRAMTON. Reserving the right to object, is that the same bill that was called up yesterday that has to do with foreign travel of officials in the Naturalization Service?

Mr. JOHNSON of Washington. Yes.

Mr. CRAMTON. Is the gentleman prepared to assert that if the bill goes to conference the House conferees will not agree to the Senate amendment adding Naturalization Service officials?

Mr. JOHNSON of Washington. The conferees would like an opportunity to look into the cost of any movement toward naturalization officials.

Mr. CRAMTON. My objection is so that the gentleman's own committee may know, and the House may have that very opportunity. This is a bill that authorizes the payment for foreign travel of officials of the Immigration Service. It is an amendment of the immigration law which passed the House and the Senate has added this amendment that is not germane.

Mr. JOHNSON of Washington. At the same time I will agree that as far as possible we will oppose it; but I feel that we ought to have a free conference. I do not think we ought to be bound.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. JOHNSON of Washington, Mr. JENKINS, and Mr. RUTHERFORD.

AMENDING NATURALIZATION LAW

Mr. CABLE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12487) to amend the

naturalization laws in respect of residence requirements, and for other purposes.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table the bill H. R. 12487.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, I would like to ask the gentleman from Ohio if he will offer the amendment, which we have discussed, which will make it very clear that the provisions of the bill are applicable only to such persons who leave the country on scientific expeditions of which the Secretary of Labor has approved.

Mr. CABLE. I have sent such an amendment to the Clerk's desk.

Mr. STAFFORD. Reserving the right to object, this bill was under consideration yesterday. Can the gentleman state any good reason why it should be considered to-day instead of next Monday?

Mr. LAGUARDIA. This bill applies to only one man, a young man who is one of the greatest aviators of the world, who accompanied Admiral Byrd on his Arctic expedition. I understand that he is eligible to be naturalized as a citizen within a few months, if the time that he was abroad with Admiral Byrd is credited to him.

Mr. CRAMTON. I would like to know if the language is broad enough so that while we are taking care of one man it will take care of a few hundred others that we do not mean to take care of?

Mr. PATTERSON. In view of that fact why not bring in a special bill?

Mr. LAGUARDIA. There was some doubt about the phraseology of the bill, and it is now proposed to limit it so that the person must be absent on a scientific expedition.

Mr. PATTERSON. It can wait over until Monday.

Mr. STAFFORD. Mr. Speaker, for the time being I object.

JOHN MAIKA

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 531) for the relief of John Maika, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 531, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference. The Clerk will report the bill and the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 1, line 5, strike out "$5,000" and insert "$2,500."

Page 1, line 9, strike out "$5,000" and insert "$2,500."

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. IRWIN, Mr. FITZGERALD, Mr. BOX.

LAURIN GOSNEY

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2222) for the relief of Laurin Gosney, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 2222, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill.

The Senate amendment is as follows:

Page 1, line 5, strike out "$3,000" and insert "$1,000."

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. IRWIN, Mr. FITZGERALD, Mr. BOX.

ELIZABETH LYNN

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6227) for the relief of Elizabeth Lynn, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 6227, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The Senate amendment is as follows:

Page 1, line 4, strike out "$5,000" and insert "$1,000."

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. IRWIN, Mr. FITZGERALD, and Mr. BOX.

MUSCLE SHOALS

Mr. ALMON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein copies of letters to the President written by J. H. Bowser, commander of the American Legion, Tuscumbia, Ala., Post No. 31 and H. N. Norris, commander of the James R. Crowe Post, Sheffield, Ala., favoring the pending Muscle Shoals legislation.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The matter referred to is as follows:

JUNE 19, 1930.

Hon. HERBERT HOOVER,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: As a member of the American Legion, I desire to now join with the many thousands of others in making this protest for action. When your country and my country were face to face with the great world conflict, I, like thousands of others, gave my services to the defense of our country. The United States was at war, no man or resource was spared to the end that victory was achieved. That emergency has passed into history, the effects of that great conflict, however, are still sorely felt by thousands of those who, as common soldiers, fought in that conflict. All these facts are well known to you.

You know the dire need of thousands of legionnaires, soldiers of the World War; how unemployment has reduced their families to a point of severe want. As Chief Executive of this great country you are in a position to have absolute information on all phases of American life. I know, and you should know, that as Chief Executive of this great country, your duty is to relieve when humanely possible the pain and suffering of your people. However, I note from the press that you say that you would not sign the original straight Norris bill for Government operation of Muscle Shoals. Your predecessor had a chance to sign such a bill. Like the great leader, which he was not, he saved the whole project for the power monopoly who have been the sole beneficiaries of this great project since its completion.

Is it not a fact that you recently signed the Boulder Dam bill, which in fact provides more stringent Government supervision than the new Norris Muscle Shoals compromise proposal? It will be easily understood by the public, your refusal to effect acceptance of the Norris Muscle Shoals compromise, for Muscle Shoals is not adjacent to your home State of California, as is Boulder Dam Government project.

You are also quoted as saying that "it is the duty of Congress to pass a Muscle Shoals bill, and bring it to my desk to sign or veto. I will not interfere or take any hand until it is laid on my desk." How can you as President refuse to interfere or take a hand in getting action? It would be the same as the president of a bank looking on while Jessie James robbed the bank, and the president standing silently by, saying: "I will not interfere." You have allowed the public to accept the belief generally that you are a great engineer and master of economic experts. As such, you, of course, know that the American public have been robbed and is continually being robbed by unemployment, unreasonable rates, and watered stocks and bonds of the electric-power interests.

This legislation means the saving of millions of dollars annually to American farmers in the buying of fertilizer. The operation of these nitrate plants at Muscle Shoals, which are the only idle nitrate plants in the world, will help to relieve the unemployed. It is a matter of record that our farmers pay Chile around $12,000,000 annually as an export tax on Chile nitrate brought to our American farmers. The operation of these plants will save that also. But you won't interfere. Our farmers would save $16 per ton on their fertilizer bill, but you refuse to interfere.

The completed Muscle Shoals project would employ thousands of men, many of whom would be legionnaires, men whose children are crying in want, but you say, "It is the duty of Congress," when one word from you would save this gigantic project for the people, who paid for it. Thousands of those payments were the loss of life, while other thousands of those payments were the loss of health, and the pursuit of happiness. And yet when you look around you and see the power magnates making as much as 3,000 per cent profit in most cases, you can not sign a bill that would stop the highway robbery rates of these power monopolies nor utter a word that would benefit the whole United States, while your silence benefits directly the Power Trust.

I would like to see what kind of appearance an army would make that was made up of the power magnates of those holders of the common stock of the private power corporations. I would like to review that little handful of power army soldiering for $1 per day, with possibly King George as the head, and with Mr. Morgan as commander in chief, and with Samuel Insull as field marshal, and the smaller boys, Tom Martin and Harvey Couch and such others, as the lieutenants in command, of the power company attorneys, who would be acting as their privates in the ranks. Could that little army hold the Hindenburg line and "keep our country safe for democracy"?

The American boys who by the thousands died to save the gigantic holdings of the Power Trust are now seeing the power interests scheme and manipulate against the consumers like myself and keep us out of a job and to make times hard throughout the country that their selfish motives may be easier attained. These power boys sat in their offices during the war-yelling patriotism, while they were extracting from two to three thousand per cent on their investment, and the soldiers were in the trenches at $1 per, risking their lives, health, and everything in defense of our country and the power boys. Who deserves recognition? Mr. President, think.

Mr. President, you would not hesitate to call on thousands and thousands of our best men in this country to again defend it. These men, being patriotic, would accept a call, they would leave home and families with little hope of ever returning, but in times of peace they are forced to abide by the dictates of power monopolies, whose influence has kept the Muscle Shoals plants idle. Mr. President, these facts are well known to you. The Federal Trade Commission reports show the unethical practices of these power trusts; how can you side-step the issue in refusing to interfere, when your refusing to act benefits the Power Trust, and at the same time denying thousands of men, many of them legionnaires, an opportunity to provide for their suffering families.

As President of the United States you are the Commander in Chief of its Armies, and, as such, we legionnaires try to have the highest respect in the world for you, and in return everyone naturally expects you to merit the same. In this connection I would call your attention to the statement of one of your own Republican lieutenants, Congressman BERTRAM H. SNELL, who, according to the New York Times in January this year, SNELL asserted at a State conference of Republicans in New York that "his Republican friends should abandon their electric-power policy favoring private power corporations and should support whatever electric-power policy that was suggested by Gov. Franklin Roosevelt, of New York." Mr. SNELL further stating that the Republican policy had merely led to defeat in State elections. Can't you easily see that it will also lead to sure defeat of your administration, from the Executive on down? No Republican leader can claim that he is not thoroughly aware of these things, but with the prompt and proper passage of Muscle Shoals at this present session of Congress would, in a way, help greatly to redeem your administration.

Yours very respectfully,

J. H. BOWSER,
Commander American Legion, Tuscumbia Post, No. 31.

JUNE 19, 1930.

Hon. HERBERT HOOVER,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: I am writing you as an ex-service man, and as president of the American Legion in this city. You are quoted in press reports throughout the country as stating that you will not sign the straight Norris bill providing for the disposition of the Muscle Shoals project. From the same press sources you are quoted as opposed to the Government going into business. Do you mean by that to accept the viewpoint of the power monopolies who say that Government operation would be a failure?

If that be true, then it would follow that all our State and city governments, and all our big universities, the Post Office Department, the Panama Railway and power, and the Panama Canal, and the other public-operated businesses of the Nation, of which you are the Chief Executive, should be accepted as a failure. You notice that we do not even mention the highly successful operation of the public owned and operated power plants of your own home district, Los Angeles, Calif., as well as Tacoma, Wash., and many other instances we might recite that are highly successful, as well as the public owned and operated railway systems, telegraph systems, and hydroelectric power systems of Canada, which are now so successfully publicly operated.

In your Elizabethton, Tenn., campaign speech you stated your opposition to the Government engaging in private business, but you grant that the Government is already in business at Muscle Shoals. Senator NORRIS has offered a compromise proposal that would permit the Government's nitrate plants at Muscle Shoals to be leased to private operators, and provides that the Government retain control of the switchboard of the power units here, which new Norris compromise proposal, our chambers of commerce, the Federation of Labor, and most all other people accept the same as being fair and right.

The recent Norris Muscle Shoals compromise is not a straight-out "Government-operation" bill, the Norris-proposed compromise is "semi-Government-private operation," and allows the Government to only "keep control of the electric switch of its own Wilson Dam property," which is absolutely right. Senator NORRIS only asks that the Government hold the "measuring rod" the electric "yardstick," which is correct, but therein is the thing that the Power Trust objects to, and has blocked the disposition so far, but for not much longer.

In this connection, my attention is directed to a quotation from your speech at Elizabethton, Tenn., on October 6, 1928, in which you said: "In this presidential contest there is no place for personal bitterness, and I make an especial appeal to the public for fair play and sportsmanship." In this connection do you think that either President Roosevelt, or President Wilson, who made it possible for you to be President to-day, would sit silently by as you are doing and let Republican Congressman REECE get by with the statement "That he will not cast the deciding vote accepting the Norris Muscle Shoals compromise for the reason that you would not sign such a bill?" Either REECE, RANSLEY, or WURZBACH could end the Muscle Shoals deadlock now, and all three of them have clearly indicated they were acting under your influence. If this is true, the public can see no semblance of "fair play or sportsmanship" in your blocking of Muscle Shoals legislation, when there are 5,000,000 men now without jobs in America to-day, and the passing of this legislation providing for operation of the huge Muscle Shoals plants, including the construction of the $30,000,000 Cove Creek Dam near Elizabethton, Tenn., would give some relief to said unemployment situation as well as contribute to genuine farm relief.

Congressman W. FRANK JAMES, Chairman of the House Military Affairs Committee, inspected the Government's Wilson Dam and nitrate plant properties on November 2, 1929, and while here made a written report to Maj. Gen. C. C. Williams, Chief of Ordnance, United States Army, Washington, D. C., in which report he stated: "The Government's nitrate plant here could be placed in operation within a period of 60 days or less, at a cost of $100,000, and would furnish nitrate necessary for the manufacture of ammunition to supply an army of 1,500,000 men." Chairman JAMES stated while here that "If Ford's offer for the nitrate plants here had been accepted that at least 100,000 men would be assured of steady employment in the Muscle Shoals district to-day."

The recent Norris-proposed Muscle Shoals compromise bill would immediately put the entire project to work, and notwithstanding your apparent attitude on said bill, you have previously signed a similar bill for Government operation of Boulder Dam. I can not reconcile your apparent silent attitude toward Muscle Shoals compared with your attitude in taking a hand in other legislative settlements.

When you made your only southern campaign speech, at Elizabethton, Tenn., on October 6, 1928, you made this speech in the shadow of the Wautauga tablet or monument, which monument commemorated the formation of the Wautauga Association, which in past history has been termed the first independent government established in defiance of British authority in the Western hemisphere. The Electric Power Trust, as you well know, is English controlled by a handful of big beneficiaries. Their unscrupulous methods have been exposed by the recent investigation of the Federal Trade Commission. It is gratifying to know that we still have some honest men in Washington who are working in the interest of justice to all and favoritism to none. The Federal Trade Commission has shown that the power crowd have stopped at nothing that would accomplish their selfish purpose, which facts you are familiar with.

It is also a generally known fact that the delay in settling Muscle Shoals is playing directly into the private power company's hands. How can you remain silent at this time when there is so much unemployment? Thousands of children of legionnaires are hungry for bread. One word from you would start the operation of these nitrate plants and the construction of Cove Creek Dam, and will put thousands of legionnaires to work and enable them to provide for their families.

Mr. President, let us think back a few short years; I am sure we have not forgotten the great World War, when the English in agony and despair called out "Our backs are against the wall; send munitions, send guns, send men." Who went over there and saved the English from destruction? Was it the present American Legion boys who were serving for $1 per day in the trenches? Where were the Power Trust men in those days while the boys were in the trenches, and where are those Power Trust boys now, and where are many of the legionnaires?

Why should not the American Legion, who saved the very lives and property of the people, have as much consideration as the power interests, who have been extracting from the public as much as two or three thousand per cent on the capital invested? Let right and justice prevail. Brisbane has said, "Are we more British than American?"

It has been shown that the English-controlled power outfit, which got themselves Americanized all of a sudden, are now extracting from the American people from 2,000 to 3,000 per cent profit on their investment, while American legionnaires who saved the English from destruction are

in dire need, and in thousands of cases their families are in want, which conditions were brought about principally by the power interests. As a true American, Mr. President, how can one remain silent regarding this project? The public will hold you responsible.

Yours very truly,

H. N. MORRIS,
Commander James R. Crowe Post No. 27,
American Legion, Sheffield, Ala.

METHODS FOLLOWED BY THE FEDERAL FARM BOARD IN STABILIZING THE PRICE OF COTTON

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the activities of the Farm Board in stabilizing the price of cotton.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEVENSON. Mr. Speaker, under the leave granted to extend my remarks on the above subject, I will say that there are many farmers who have stood loyally by the cooperative marketing associations from the start. One of them, in my district, is a good example. He has been largely instrumental in keeping the organization in South Carolina on its feet; has sold all of his cotton through that, and was a good enough business man to keep books and see whether the net result was profit or loss. I insert here a condensed statement of his operations in 1929 along that line.

He deposited 144 bales of cotton with the cooperatives, which he could have sold when he made the deposit for	$12,529.74
He has received the 16 cents advance, amounting to	10,946.49
	1,583.25

The proposition now of the Federal Farm Board is to take over that cotton and all cotton held by the cooperatives at the 16 cents already advanced. This gentleman will thereby have lost $1,583.25, unless the depositors have a share of such profit as may be made by the holding of this cotton by the stabilization committee. In other words, cotton at 16 cents, and at 13 cents as it is now, is away below the cost of production, so found by the governmental agencies. The history of cotton has been that it will not stay very long below the cost of production, which the Government agents have figured is around 20 cents per pound.

The stabilization corporation now undertakes to take over that cotton, practically foreclosing its mortgage in midsummer when the price is far below the cost of production, and then hold it off the market probably until it will react to the amount of the cost of production, and then sell it in the markets of the world. While it shows an apparent loss in taking it over at 16 cents, nevertheless it will probably make a profit of from fifteen to twenty dollars a bale before they turn it loose.

Now, my farmer who has his cotton in there has not a share in that profit, as the appended correspondence will show, though the law provides that the cooperatives shall have one-fourth of the profits which these corporations make in any such deal. See section 9, subdivision c of the farm relief act. Having had my attention directed to this, I addressed a letter to the Farm Board asking if the customers of the cooperatives would have any equity in any profit made by the stabilization corporation on this cotton taken over. Mr. Carl Williams, of the Federal Reserve Board, replied that they would not. This is his language:

This means, of course, that the farmers who put their cotton into the cooperatives and received their proportionate part of the 16 cent advance which was due them will not expect to get any more money from the cooperatives in final settlement. The Stabilization Corporation must buy the cotton direct from the cotton cooperatives and the deal must be closed at the specified price. I am sure that pending such time as this cotton may be taken over by the Stabilization Corporation, the cotton association or the Stabilization Corporation itself will be glad to release back to the member all of the cotton which he delivered to the association on the payment by that member to the Stabilization Corporation of the amount advanced to him by the cotton cooperatives plus carrying charges from the date of advance until the date of payment. If any of your clients desire to do this, I will be glad to see if it can be arranged.

It will be noted that Mr. Williams, speaking for the board, says that no matter what profit is made by the Stabilization Corporation the farmer will not share in it. He also makes the very munificent proposition that the farmer come up and pay his discount and get back his cotton. In the first place, the cotton farmer is flat. He has been ruined by poor crops and poor prices, perpetrated in so far as the prices are concerned with the cooperation of the speculators, and he is not in a position to come up and pay and get back his cotton. He committed it to the cooperative association to be held until such time as it could be properly and profitably marketed. Now, instead of doing that, the cooperative association is allowing the Stabilization Corporation to sell it, practically under mortgage, when cotton is 6 cents under the cost of production, selling at the lowest price in many years, and expecting the farmer, instead of having his cotton held by the cooperatives until at least the cost of production can be gotten for it, to come up and pay the advance which has been made and take back his cotton.

Now, the farmer may be a fool in some respects, but I do not think any of them will be so foolish as to pay 16 cents for this cotton when they can buy it on the market for 13 to 13½ cents.

I will say further that if the Farm Board wants to retire cotton and relieve the market, they are pursuing a most foolish policy. They are taking over at 3½ cents above the market price the cotton in the hands of the cooperatives, which is already in a position to be held until a proper market develops, and thereby making a loss on this very purchase of $15 a bale; whereas they should go on the market and buy 1,000,000 bales of cotton at 13 cents and on that million bales save $15 a bale; to wit, $15,000,000, leaving the cooperatives with all their cotton to get the benefit of the bulge in price which that operation would probably bring about.

I am not familiar with their stabilization of the price of wheat, but I am informed that wheat has this week been at the lowest price in a long, long time, and surely cotton has gone down the toboggan and landed in the swamp at the foot, and my friends from the wheat country say that it has the company of wheat also.

I think we provided a workable plan for these propositions when we passed the farm act, but I think there was a cog slipped somewhere when they selected Mr. Williams to represent cotton on the Farm Board. I do not know where the wheels are in the head of the wheat fellow, but I surely do not want any more stabilizing of cotton which brings it down to 13 cents.

SPEECH BY HON. HARRY C. CANFIELD, OF INDIANA

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech made by my colleague, Mr. CANFIELD, on the night of June 24, at New Haven, Conn.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, under permission to extend my remarks, I herewith insert a speech made the evening of June 24 by my colleague Congressman HARRY C. CANFIELD, of Indiana, at the Democratic State banquet at New Haven, Conn., given under the auspices of the Democratic Town Committee of New Haven, Conn.

The speech is as follows:

Mr. Toastmaster and fellow Democrats of the great State of Connecticut, it is a pleasure to be privileged to come here this evening and meet with so many men and women in your great State, who by your presence here and the expression on your faces, show that you still believe in the principles of government laid down by the father of the Democratic Party, Thomas Jefferson, a government of the people, by the people, and for the people, and not a government principally for the few as we have had for the last nine years. It was upon these principles this Government was founded, and it is upon these principles it must stand if it is to be a government with equal opportunity to all, as it was intended it should be.

In the early history of our country we find that some of the leaders in political parties that opposed the Democrat leaders on other issues believed in these great principles of government. President Lincoln was strong for a government that gave equal opportunity to all, but from that time until 1912 when Theodore Roosevelt broke away from the stand-pat element of the Republican Party, the leaders of that great party seem to have forgotten that this was a government for all the people, and the affairs of government under their leaders were conducted, not in the interest of all the people but in the interest of the privileged class.

In 1912 the people of this country, tired of a government for the privileged class, conducted as it had been under Republican rule, whose leaders seemed to have forgotten that this was a government of, by, and for all of its people, elected as their President that great statesman, scholar, and leader, Woodrow Wilson.

As has been so ably said, "George Washington was instrumental in the foundation of this Republic; Abraham Lincoln preserved the Union and molded the several States into a single sovereignty, but it remained for Woodrow Wilson to formulate a plan by which the whole world might be saved from self-destruction, military autocracy, and in which permanent peace, international justice, and the brotherhood of mankind should reign supreme."

In six short years, with a Democratic President, a Democratic House, and a Democratic Senate, more helpful, constructive legislation that was in the interest of all the people was enacted than had been placed

on the statute books in 40 years under Republican rule previous to that time.

It was when the Democrats were in full power that the Federal reserve banking act, the farm loan act, the Federal good roads act, corrupt practice act, Clayton Antitrust Act, child labor act, agricultural extension act, workman's compensation act, vocational training act, seamen's act (freeing labor on the high seas), the graduated income tax law, and the 8-hour law for Federal employees was enacted. And during this administration the Department of Labor, the Shipping Board, the Federal Trade Commission, the Tariff Commission, and the Bureau of Farm Markets were established.

It was during the Democratic administration that the constitutional amendment, granting woman suffrage, was passed. The tariff act (known as the Simmons-Underwood tariff law), which was fair to manufacturers, fair to labor, and fair to our farmers was also passed during this administration.

During Democratic rule, 101 bills in the interest of labor were enacted, a record that we can justly be proud of.

These are only a few of the many helpful and constructive acts that were put in the statute books during the Democratic administration.

After eight years of Democratic rule, six years of which we had a President and both the House and Senate, and two years with a Democratic President and Senate, with a Republican House, came the never-to-be-forgotten Harding administration, an administration of graft, greed, and debauchery, an administration administered by its Daughertys, Falls, and Forbeses, that robbed the United States not only of money and its oil reserve, but also of the world-wide respect we enjoyed during the Democratic administration.

Then came the Coolidge administration, which was consistently subservient to big business and against the interest of depressed agriculture, the laboring man, and the average business man.

During this administration no effort whatever was made to bring those who had robbed the Government to justice until they were forced to do so. In fact, it seemed that the leaders were not prone to criticize them for the acts committed, but seemed sorry that they were caught. In passing, I might say it seems to be an unwritten law under Republican rule that it is perfectly all right to take all you can get just so you keep from getting caught.

The presidential campaigns of 1920 and 1924, as well as the congressional campaigns of 1922 and 1926, were full of promises to the farmers, laboring men, and average business men, promises that were never fulfilled, promises that were soon forgotten by those who were placed in power, and, in my opinion, never will be fulfilled as long as the Republican Party is left in power.

The campaign of 1928 is still fresh in our memories. Well do we remember the promises that were made; yes, well do we remember the things that were resorted to, to win in that campaign even the religious question was injected into the campaign.

Mr. Hoover was held up to the American people as a great superman, and they were led to believe that he could perform miracles. A little over one year of Hoover rule has proven conclusively, to the sorrow of many, that this was not true.

The Republican Party has always posed as the party of prosperity and has attributed all panics and hard times to the Democratic Party, and during the last campaign President Hoover went probably farther than anyone in the past in claiming credit for his party for whatever prosperity the country has enjoyed. In his speech of acceptance at Palo Alto, Calif., August 11, 1928, he said:

"The poorhouse is vanishing from among us. We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man. This is the primary purpose of the economic policies we advocate."

In his speech at Newark, N. J., on September 17, 1928, he said:

"The problem of insuring full-time work all the time is a problem of national concern. It is one to which government must give its attention. It is one to which government may contribute to solve." Also, in the same speech he said: "Full employment depends not only upon a strong and progressive economic system but upon the sound policies and vigorous cooperation by the Government to promote economic welfare." Also, he said:

"The Republican Party has performed unparalleled service to the employees in our commerce and industry throughout its history and notably during the last seven and a half years. Continuous employment and prosperity of labor depend upon the continuance of these policies."

By these statements Mr. Hoover substantially wrote a guarantee of continued prosperity and full-time employment for every wage earner in America. Not only were the wage earners assured that there would be continuous prosperity, but the owners of manufacturing plants, the merchants, and farmers were led to believe that they could depend upon his guaranty.

Mr. Hoover was elected by an overwhelming majority. He took office on March 4, 1929, still the great superman, and enjoying the confidence of the people of this country, and what has happened?

Within eight months after Mr. Hoover took the oath of office the worst stock-market panic to occur since before the World War took place—$18,000,000,000 losses were recorded in one week, and that is not all. This stock-market crash caused more bankruptcies, more assignments, more business failures, and more suicides than has ever been known in American history in so short a time.

During the first five months of this year our exports have decreased $446,746,000. Our imports have decreased $447,013,000, which makes a decrease of $893,759,000 in the total of our foreign commerce in the first five months of this year.

While Mr. Hoover was Secretary of Commerce he claimed that he built up a billion-dollar annual increase in our export trade. He may have been able to do this as Secretary of Commerce; but if he did, it took him eight years to build it up, and the records show that it only took a little over five months under his rule as President of the United States to have 50 per cent of this increase lost to our American manufacturers, American shippers, and American labor.

To-day we have over 5,000,000 men out of employment, and some of them starving, and between six and seven million men working only part time. If they are among those that voted for Mr. Hoover in 1928, assured as they were by him that a Hoover victory meant continuous employment, I am wondering what they will have to say about it when they are privileged to vote again next November.

Ladies and gentlemen, the labor question is a serious one. In this country at the present time we should have 46,000,000 of our people engaged in gainful occupations that are classed as wage earners. In 1928 labor earned about $90,000,000,000, and in the campaign of 1928 Mr. Hoover said: "If it was not for wise leadership, labor would be in trouble." If labor is now unemployed, according to the statement of Mr. Hoover it has not had wise leadership. Mr. Hoover as President is now the leader, and I am wondering what has happened in so short a space of time to cause this great economic change in the country and this tremendous amount of unemployment if continuous employment and prosperity of labor depends entirely upon the continuance of Republican policies in Government as was stated by Mr. Hoover in his speech at Newark, N. J., on September 17, 1928.

My friends, the guaranty made by Mr. Hoover when he was a candidate for President has come far from being fulfilled to the laboring men of the country, for the facts are that in almost every city in the country it has been necessary to establish bread lines and soup houses, and I am told that in New York City, at times this year, lines of hungry and destitute have lined up that were two and three blocks long, and that the famous Little Church Around the Corner in New York has established a bread line for the third time in approximately 80 years.

During the 1928 campaign Mr. Hoover stated that if he was elected he would call a special session of Congress to enact farm relief and make some limited changes in the tariff that would be helpful to agriculture.

True to these promises, the special session was called and on April 16, 1929, his message was read in both the House and Senate, in which he said: "I have called this special session of Congress to redeem two pledges given in the last election—farm relief and limited changes in the tariff." (Notice he said "limited changes in the tariff.")

A so-called farm relief bill was passed, and if farm prices continue to go down as they have been since the bill was passed it begins to look like it was properly named, for if something is not done to make it possible for the farmer to get a fair price for his products he will be relieved of everything he has, for the average prices of farm products to-day are lower than they have been any time since before the World War. When farm relief was being considered it seemed that every constructive suggestion that was made was objected to by the Republican leaders, as they said it was contrary to the views of the President.

A bill establishing a farm board with a revolving fund of $500,000,000 at their disposal was passed. Mr. Hoover said through methods established by this board, with this amount of money, the price of farm products could be stabilized, and our farmers could be put on a parity with industry, but the guaranty made to our farmers by Mr. Hoover when he was a candidate for President, like the guaranty made to our laboring men, has not been fulfilled, for, as I said before, the prices of farm products have gone down and our farmers are worse off than they have been since before the World War. When we stop to consider that farm-land values that were approximately $65,000,000,000 in 1920 are now less than $45,000,000,000 and when the products he has to sell are selling at less than cost of production the conditions of our agricultural sections are appalling.

I realize that Connecticut is not what is known as an agricultural State, and there may be many of you here to-night that may think you are not interested in the success of agriculture, and in this connection I must take time to say that if you feel this way, it is time that you disillusion your minds for the facts are that one-third of the population of our country is depending on agriculture, and when agriculture is not prosperous, or in other words when they do not get a fair price for their products, the buying power of one-third of our population is cut off and with one-third of the buying power of the country cut off, there is no chance for continued prosperity in industry, and in passing I want

to say that, in my personal opinion, this is one of the big causes of the economic depression at the present time.

For 10 years agriculture has been depressed. This condition has continued to get worse and the time was bound to come when industry could not continue with one-third of the buying power of the country cut off. To dispose of merchandise the manufacturer must have a market. With the farmers unable to get a fair price for their products, they were not able to buy things they needed or would have bought had they been able to dispose of their products at a fair price. So the wheel of prosperity could not continue to run, and, as a consequence, our factories are shut down and there is unemployment and distress everywhere.

In the President's message to Congress, you will remember that he also stated that he was in favor of an effective tariff on agricultural products, and that he was in favor of some limited changes in other tariff schedules where economic changes have taken place and where new industries have come into being in the last seven years; and now, after almost a year and a half of hearings and debate, a tariff bill has been passed. What a different law it is from what the American people had a right to expect after listening to the promises made by Mr. Hoover and other Republican leaders during the campaign or even after the President sent his message to Congress on April 16, 1929.

The limited changes the President favored it seems, as he has now signed the bill, were something over 1,200, of which 887 of them were advances, as the tariff bill, as it was signed by the President, increased the tariff rates over the rates in the "Fordney-McCumber tariff law passed in 1922 on 887 schedules, many of them containing over 100 commodities.

Economists, business men, and farm organizations from all over the country have protested against the passage of the Hawley-Smoot tariff law," or as it has been called, and I think properly so, "the Grundy monstrosity."

The leading economists of the country, 1,028 of them in number, coming as they do from 179 of our leading colleges, also from some of our largest banks and most important industries, set out 12 points as to why this bill should have never become a law.

They are as follows:

First. It will increase the general cost of living.

Second. It will subsidize industrial waste and inefficiency.

Third. It will inflate profits of the few at the expense of many.

Fourth. It will hit city workers hardest.

Fifth. It will rob the farmers it is supposed to help.

Sixth. It will cripple manufacturers through raw-material rates.

Seventh. It will lower the buying power of our foreign customers.

Eighth. It will provoke foreign retaliation against our exports.

Ninth. It will violate the resolution of the world economic conference.

Tenth. It will jeopardize payments from our foreign investments and debts.

Eleventh. It will increase unemployment.

Twelfth. It will poison world peace.

The economists have been heard from. They realize in advance what the passage of this bill means to the American people. The people themselves will be heard from later on, and, in my opinion, when they realize what has been done to them by the passage of this bill the protests of the economists will fade into insignificance when we hear the protests made by the people themselves at the polls next November.

The farm organizations protested against the passage of this bill because it did not carry out the pledge that was made to them in the last campaign. They were promised that agriculture would be placed on a basis of equality with industry, but the rates in this bill fall far short of placing agriculture on a basis of equality with industry.

A large number of our leading business men were against the tariff bill because it will advance their raw-material rates, lower the buying power of their foreign customers, and cause foreign countries to retaliate against importing American-made goods.

Some of our leading business men made strong protest against this tariff bill because they realize it is not in the interest of a number of our large employers of labor and that it is bound to increase unemployment.

Australia has already ordered that the importation of 76 commodities be prohibited altogether, and that the tariff rate on 81 other commodities be increased 50 per cent.

It is estimated that we have 2,000,000 families in this country depending on the production of goods for export and another million earning their living in the manufacture of raw materials which we import in exchange for our exports. Our population has increased 10 per cent in the last eight years, and our production has increased approximately 30 per cent. Our higher standards of living have absorbed some of this increased production, but most of it must find an export market. Cut off this market and we will have more unemployment, a lower standard of wages, and not only the manufacturers and labor will be affected but likewise every business man and farmer in the country.

Much has been said about this being a "billion dollar tariff law." When we speak about a billion dollars there are very few of us that can even realize what it means, so in order that we may more thoroughly understand what this tariff law will actually cost us, let us take up a few of the items in the bill and see just what the increases in tariff really are.

First, we will take the cement tariff, which is placed at 6 cents per hundred pounds, and affects every taxpayer in the United States.

We find the imports, 1927, 1.18 per cent; 1928, 1.30 per cent; 1929, 1.01 per cent. So the imports do not affect us to any degree and are not on the increase.

The State-highway systems built 5,908 miles; the county-highway systems built 1,145 miles of concrete road in 1928, and if the same amount of road is built as was built in 1928, average 20 feet wide, 7 inches thick, under the new tariff schedules, which is 6 cents per hundred pounds, the cost per mile will be $769.95 extra, and the total cost to the taxpayers of the country will be approximately $60,000,000.

In checking over the records I find that the State of Connecticut built 73 miles of concrete road in 1928, which if built under the new tariff law would cost the taxpayers of your State $56,206.35 more than it did at that time.

A few of the other increases in tariff under this law are as follows:

The woolen schedule alone is expected to increase cost $300,000,000 on clothes and wearing apparel.

Hides, leather, boots, and shoes, approximately $250,000,000.

Lumber, $50,000,000; brick, $15,000,000; tiling, $25,000,000; sugar, $32,000,000; in addition to the $216,000,000 that was paid under the Fordney-McCumber tariff law.

But you may say, we would like to know what it is going to cost us as individuals.

I will give you the advance on just a few articles.

Dress goods: Woolen, worsted, etc., now costing $4 will cost about $6.25.

Dress goods: Silk, now costing $5, will cost about $5.75.

Dress goods: Cotton, now costing $3, will cost from $3.30 to $3.50.

Woolen underwear: Selling for $2 a suit, will cost $2.40 to $2.50, and a $4 suit from $4.80 to $5.

Ladies' hats: An untrimmed hat, now costing $1, will cost $1.95; a $3 hat will cost $4.66, and a $3 felt hat, light weight, will cost about $5.45.

Shoes: Bear a specific duty of 20 per cent, which makes a $5 pair of shoes cost $6, and a $10 pair of shoes cost $12. The shoe tariff is estimated to cost $7.50 per family.

Men's wear: Assuming that a standard suit or overcoat now sells for $35, the cost under the new tariff will be approximately $40.

The heaviest percentage of increase in men's clothing is in the cheaper-priced suits, made in large part of wool rags, on which the Fordney-McCumber duty was 7½ cents a pound, which has been increased to 18 cents a pound, an increase of 140 per cent. It is estimated that this will add several dollars to the price of every suit of clothes by the time it reaches the consumer.

Shirts: Men's shirts, now selling for $1.50, will cost $2.20, and a shirt selling for $3 about $4.50. A workman's shirt, now costing 50 cents, will cost about 75 cents. A $5 silk shirt will cost $6.

Blankets: A pair of wool blankets, costing $10, will cost $11.50; a pair of wool blankets, costing $5, will cost $5.75. A pair of cotton blankets, costing $2.50, will cost approximately $3.50. A cotton quilt, now costing $2, will cost $3.

Lumber: The duty of $1 per thousand feet on soft lumber is estimated to add from $56 to $105 on the humble home of the workman.

This tariff law means an average increase cost of from fifty to one hundred dollars to every average householder in the United States.

The new tariff shows approximately a 20 per cent increase over the Fordney-McCumber tariff of 1922, so that it can be said that the increased cost to consumers will be at least 20 per cent in the aggregate on the tariffs that were effective. Under the Fordney-McCumber tariff the level of prices on many highly protected articles has risen far above the general level and far above any justification for the excessive rates of that law. The same may therefore be expected of the new tariff when the present business depression shall have passed.

As has been said, this tariff law has already been called "the Grundy monstrosity," and in my opinion, it will be called many names that can not be put in print when the people themselves really understand how it will affect their living expenses.

The day the Senate passed the tariff bill there was a break in the stock market. The day the House passed it stocks went still lower, and the day the bill was signed by the President there was a crash in the stock market, which shows conclusively that the business men of the country feel that the passage of this law was against the interest of business, and that instead of improving business conditions, they will get worse, causing more unemployment and distress throughout the entire country.

You have heard much about the "Flexible Clause," in the tariff bill, and I find a great many people do not understand what it means. Under the flexible clause, the President has the right to raise or lower the tariff rates 50 per cent, as it suits his whim or interest. Under this clause he can injure one section of the country for the advantage of another section, or he can destroy one kind of business for the advantage of another.

Under the flexible clause the President is clothed with the power to declare prosperity for his friends or those who have furnished his party with large campaign contributions. When this is understood, I do not believe the people of this country will stand for the placing of this power in the hands of any one man, regardless of which party he may belong to. The power to tax and regulate tariff was delegated to the peoples' representatives in the House of Representatives, and in the Senate, selected as they are from every section of the Nation by the people themselves, and I feel they will repudiate this act when they understand what it really means.

Ladies and gentlemen, there are many other very important questions that I would like to discuss this evening, but I must stop as you have other speakers that I know you will want to hear, but I can not stop without calling your attention to two other questions which I will only refer to briefly.

From 1922 to 1929, the Government, under Secretary Mellon, refunded in taxes, credits, and interests, the staggering sum of $860,405,898.58; and this year, so far, the refunds approved amount to over $47,300,000, and, if other claims pending are settled on the same basis as the above, as they likely will be, they will add another billion and make the total of refunds approximately $4,000,000,000.

Of these large refunds, the United States Steel Corporation alone has received over $97,000,000. It is the Democrats' contention that such sums of money, affecting the pocket of every taxpayer, should not be paid out on the recommendation or authority of only the Internal Revenue Bureau and Secretary Mellon, but that at least one case should be tested in the courts to see if these payments are just, for every dollar refunded must be paid from the pockets of the other taxpayers.

Much is said in every campaign about income-tax reduction, and I have no doubt it will be one of the things they will talk about in this campaign, for the Lord knows, with the Republican Party in power and economic conditions as they are, they will have to go out of their way to find something to talk about.

The first revenue bill following the war was passed in 1921, with the Republicans in power in all branches of the Government. It was signed by President Harding on November 23, 1921. As the bill was originally framed, it granted no relief whatever to the small income-tax payers except an exemption of $500 to heads of families. It was proposed to reduce the higher surtaxes from 65 to 32 per cent and to abolish the excess-profits tax.

When the bill was finally passed the higher surtax rate was fixed at 50 per cent instead of 32 per cent, but, at that, the large corporations and large individual taxpayers profited to the extent of $511,500,000 by abolishing excess-profits tax and the reduction in higher surtaxes, with but very little relief to the small income-tax payers.

The so-called Mellon plan tax reduction bill was introduced in 1924, and as introduced its chief feature was to reduce higher surtax rates on the largest incomes from 50 to 25 per cent.

Under the leadership of Congressman GARNER, of Texas, that able and spirited leader who is always fighting for the interest of the common people, together with the Democratic leaders in the Senate, the bill that was finally passed was known as the Garner bill, and the surtax on large incomes was reduced to 40 per cent, and the tax on small incomes and earned incomes was reduced to a considerable extent.

The Garner plan gave greater benefits to 6,656,067 taxpayers than the Mellon plan, while if the Mellon plan as it was originally introduced had passed, it would have given greater benefits to 6,109 taxpayers of the ultrawealthy class.

The Democrats are entitled to all the credit for this tax reduction.

In 1926, the Republicans, realizing that they could not put through a plan that would be helpful only to the large income-tax payers, took the matter up with the Democratic members on the Ways and Means Committee and granted large concessions for the small taxpayer in order that the maximum tariff rate on large incomes might be reduced from 40 per cent to 20 per cent, and the facts are, when the bill was finally agreed to in conference, with the exception of the drastic reduction in the maximum surtax rates, it was more of a Democratic than a Republican bill.

Through the efforts of the Democrats on this tax bill upward of 2,000,000 small-income taxpayers were relieved from the payment of income taxes altogether, and men with moderate incomes, such as professional men, small merchants, small bankers, and others in this class were given substantial reductions.

The 1929 income-tax reduction was one that was particularly dictated by our minority leader after Mr. Mellon was given to understand that he could not put through the kind of income-tax reduction he favored which would have reduced the income taxes of those in the higher brackets and pay no attention whatever to the average income-tax payer.

So, when our Republican friends take credit for income-tax reduction, just tell them that all of our income-tax reductions since 1921, that have been in the interest of the small and medium income taxpayers, have been gotten through the efforts of the Democrats, aided, as they were, by a few progressive Republicans and not due to any effort made by a Republican President, Mr. Mellon, or the Republican leaders.

Mr. Toastmaster, ladies and gentlemen, before I close I must take time to give you a short summary of the Hoover administration.

His farm legislation is a failure.

His first year brought greater bank failures and liabilities than any year of our history.

Bankruptcies have increased in every line of our business. There were 1,340 more business failures the first five months of this year than there was the first five months of 1929.

One hundred and twelve thousand foreclosure sales of our farm lands.

Farm products are cheaper than since 1921.

Seventy per cent of the richest farm lands are under mortgage, and there are no purchasers for farm lands.

The textile industry is harder hit than any time since 1893.

Individual bank deposits were reduced 25 per cent the first year of the Hoover administration.

The sawmill business is paralyzed.

The coal miners are naked and hungry.

Railroad shipments have declined heavily.

Railway freights are 30 per cent off.

Railway passenger income cut nearly half.

Exports have declined almost $500,000,000.

Our export balance is declining faster than it was built up.

The stock-exchange panic swept $18,000,000,000 away in one week in Wall Street and over $40,000,000,000 altogether.

Practically every line of industry is at a standstill except a few mammoth corporations.

Wealth is centered in a very few hands at the expense of the masses.

Labor is asking work; and the answer, "there is no work."

Labor was promised the full dinner pail. It has received an empty pocket.

The executive branch of the Government has been converted into a commission form of government.

Mr. Hoover, in his campaign speeches of 1928, as I stated before, substantially wrote a guaranty of continued prosperity and full-time employment for every wage earner in America if he was elected. What has become of these guaranties?

Why is it the administration under Mr. Hoover, the man that was held out to the American people as "the great superman," "the man that could perform miracles," has been an absolute failure? The answer is lack of leadership, lack of a constructive policy, and the failure to even try to fulfill the solemn promises made during his campaign.

My friends, from the days of Lincoln the letters "G. O. P." have meant "Grand Old Party," and really stood for something up until 1921, but from the Harding administration up to 1930 it meant "greasy oil party," but now that the "Grundy monstrosity" has been passed to Congress and signed by the President it stands for "Grundy-owned party."

Mr. Toastmaster, ladies and gentlemen, again I want to say that it has been a great pleasure to be with you here to-night, and when I go back to Indiana, as I expect to do in a few days, I will carry with me pleasant memories of this evening, and when we go into the campaign this fall, fighting for the principles of government that mean equal opportunity to all and with special privileges to none, I shall think of you and know that the Democracy of this great State is fighting for the same principles of government, and may success be yours.

ORDER OF BUSINESS

Mr. BACHMANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BACHMANN. Yesterday the gentleman from Connecticut [Mr. TILSON] obtained unanimous consent that the bills on the Private Calendar would be in order to-morrow. To-day a rule was agreed to providing for suspensions. What will be the procedure to-morrow? Will the Private Calendar be interrupted at any time any Member moves to suspend the rules?

The SPEAKER. The Chair does not intend, so far as he knows now, to recognize for suspensions either to-day or to-morrow.

Mr. BACHMANN. Then the Private Calendar will proceed uninterrupted?

The SPEAKER. Just the same as any other privileged business.

PROMOTING PEACE AND PREVENTING WAR PROFITS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article prepared by myself and published in the American Advocate of Peace in 1927.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, under leave to extend remarks I am reprinting an address which I delivered to the Women's Conference of Defense in the Memorial Continental Hall in March, 1927, which was later published in the RECORD, and also published in the Advocate of Peace, the official organ of the American Peace Society, for April, 1927.

As the attention of the Congress and many of their fellow citizens has recently been attracted to the general subject in connection with House Joint Resolution 251, which the President will sign on to-morrow, June 27, 1930, it occurs to me that this material may be of some service in clarifying thought upon the subject. I submit that there has been much hazy thinking and some rather loose talking concerning the subject. It is a very profound and far-reaching question—one that affects nearly all phases of our life—and it is natural that there should be great diversity of opinion as to the manner by which to accomplish the result. I think that 95 per cent of the people agree that the object is very desirable, but more than 95 per cent dispute and disagree about the procedure and the method of obtaining the desired end. It is for the purpose of analyzing the subject and offering some suggestions as to the limitations that must be placed upon whatever plan may be adopted that I am now offering again this material to the House.

ONE PART OF THE PEACE PROGRAM

By Hon. JOHN J. MCSWAIN, Member of Congress from South Carolina

The problem of peace, like all questions where the factors are human, is many-sided. There is no single specific to cure the social ill called war. I am offering the following thoughts on one aspect of the case, especially as it relates to the "will to peace":

The Constitution of the United States has been universally appraised as the highest perfection of wisdom yet attained among the fundamental documents of government. Many particular parts have been singled out from time to time for special consideration and commendation. I do not remember ever to have seen any particular discussion of the wisdom and significance of having lodged the power to declare war in the Congress. Among all the older nations of the world the power to declare and commence war had been lodged exclusively with the executive power, so that kings and emperors had made war, from time immemorial, to suit their own interests, ambitions, or whims, and consulted the representatives of the people, if any there were, only after the commencement of war, in order to procure the financial resources wherewith to carry on such war.

But the erection of the American Republic of Republics, the commencement of a great Federal State in this Western Hemisphere, had as a background the fundamental conception of the Declaration of Independence, that "governments rest upon the consent of the governed," and exist to secure the life, liberty, and property of the people. Therefore it was but a logical application of this fundamental premise that the Constitution makers should propose, and that the people in their several State conventions should accept, a Constitution that lodged the war-making power in all the Representatives of all the States.

THE PEOPLE, THROUGH CONGRESS, DECLARE WAR

The President alone conducts diplomatic relations with other nations, but the President can make treaties only by and with the consent of two-thirds of all the Senators. This was a hitherto unthought-of limitation upon Executive power. It had therefore been conceived as preposterous that the people's representatives should have a veto power in the making of treaties between the royal rulers. But this limitation of power is constantly in the minds of Presidents and their executive advisers in the negotiation of treaties and, doubtless, has ever been a wholesome and restraining influence. Though the President is unrestrained in conducting international affairs, yet he must and does feel constantly the restraining check that his international policies can not be enforced with physical power in war without the approval of both Houses of Congress. But the principle runs further still back.

The President must calculate upon receiving the approval of an overwhelming majority of the individual citizens of the Republic. It is constantly in his thinking that Members of Congress must respect and heed the wishes and feelings of their constituents. The President remembers that Members of the House of Representatives are all elected every two years, and that one-third of all the Senators are elected every two years. Therefore, the President must be so cautious and prudent in handling international situations as to feel sure that the same will be approved by a clear majority of the people. If the President fails to takes these fundamental conceptions into consideration and rushes headlong and unadvised into complications with foreign countries that can be settled only by use of physical force, he may find himself greatly embarrassed by failing to receive the support of the Congress and be, therefore, compelled to retreat from his diplomatic predicament.

NO AGGRESSIVE WAR BY AMERICA

This particular lodgment of the war-making power in the hands of the Representatives of the people insures our Nation against a policy of aggression. The Constitution makers all knew, from either personal experience or close observation, the horrors and demoralizing and destructive attributes of war. But they were wise men and realized the forces that had been operating upon mankind and among nations since long before the beginning of recorded history. Our forefathers, who laid the foundation of this Government of the people, by the people, and for the people, well knew the ambitions and covetousness that from time to time seize the rulers and ruling classes of nations. Wisely, therefore, did they lodge in the central Federal Government the sole and exclusive power of declaring, conducting, and concluding war.

Many powers of sovereignty were left, and some still remain with the several States. But in the interest of the general welfare and common defense the war-making power was placed with the one government that represents all the people of all the sections. This Constitution conferred upon the Federal Government not only the power to declare and carry on war but the power to "raise armies" and the power to "support armies." The Constitution likewise conferred on this Central Government the power to "provide a navy" and to "maintain a navy." There is far-reaching significance in these words, to "support an army" and to "maintain a navy." They imply more than enlisting men and building ships. They imply the power to acquire by the exercise of the supreme and absolute sovereignty that must rest in any nation to take whatever physical resources and materials may, in the judgment of the Federal Government, be necessary for the proper "support" of that army and for the proper "maintenance" of that navy.

NO "VETO" BY THE PEOPLE AFTER WAR IS DECLARED

Some have argued that while the Constitution says that Congress may "raise armies," it means that it may only open recruiting stations and offer compensation and by a beating of drums and waving of flags try to induce men to volunteer to enter the Federal Army. It has been argued that to confine the raising of armies to the volunteer system would be a wise and salutary restraint upon Congress in declaring war, so that the people by refusing to volunteer could virtually "veto" a declaration of war by Congress. But the Supreme Court of the United States has in several cases solemnly and unequivocally sustained the power of Congress to reach with supreme and sovereign hand and "take" by selective-service draft such human instrumentalities, either men or women, as the Congress may in the exercise of its power declare to be essential to the raising of armies in order to provide for the common defense.

By the same reasoning, by the same inescapable logic, it must follow that the power to "support" the armies thus raised is unlimited and unrestrained and may be exercised at the uncontrollable discretion of Congress. It therefore remains only for the Congress, with the approval of the President, to say how these armies, raised to defend the Nation's life, shall be supported.

POWER TO "TAKE" WAR SUPPLIES

Heretofore the usual policy of the Government in the supporting of armies has been the "volunteer system." People have been begged and cajoled into buying bonds essential to finance armies in the field. By the same reasoning it has been argued that to leave the supporting of armies upon this volunteer basis would amount to leaving with the people the "final veto power on war." Congress may declare the war and may by a selective-service draft so formulated as to produce the least dislocation in the industrial and social life of the Nation take those persons that may be best spared from the homes and the farms and the factories and the professions of the Nation; yet after the armies have been "raised" and are in the field and are at the front and are facing the foe they may be totally paralyzed by the failure of the people back home to "volunteer" sufficient funds to continue the fight. Such contemplation sickens the heart of the genuine patriot. The same power that gives Congress the right to "take" the man from his family and from his farm and from his factory gives Congress the right to "take" such of the produce of the farm and such of the product of the factory as may be necessary to "support and maintain" the soldier in camp and in field and in trench.

PRUDENCE AND CAUTION IN DECLARING WAR

As Americans we believe in and insist upon freedom of opinion and freedom of expression of opinion, either by mouth or by the press. There should ever be the amplest discussion in Congress and in the country before war is commenced. All groups of opinion should be tolerantly heard. The President and the Members of Congress should solemnly contemplate all the possible consequences of an entry into war. They should patiently and prayerfully seek to avert war. Only actual defense of our physical integrity or of our national principles and honor, which are more than life itself, should ever provoke us to war. God has been good in gathering some of the choice pioneer spirits from many nations and planting them upon this new continent, free from the traditions and customs of the feudal nations, and in permitting them to develop here a civilization unrivaled in power and in variety in all the annals of time. The President and the Congress should and do contemplate the fact that the nations of the whole world are becoming so interrelated by commerce and communication as to make it practically impossible to localize war. The war from 1914 to 1918 is universally described as the World War, and yet it may be fairly concluded that its vast proportions will be far exceeded by the next clash among the nations. Like a prairie or forest fire, when once the fury of war commences no limits can be set, no bounds prescribed, no time fixed, and no measure set.

WAR, ONCE DECLARED, BINDS EACH AND ALL

But after all voices have been heard in the Nation, after the President, with full realization of the responsibility, has pronounced the situation

such that war alone is the answer, after the Congress, conscious of direct responsibility to the people shall have declared war, then, in my humble opinion, the case is foreclosed, judgment has been rendered, the matter has had its day in court, and henceforth no man dare deny his individual obligation to contribute to the utmost limit of his power, either by direct participation as a soldier or by direct contribution to the material and financial support of the Army and Navy. From the very moment that Congress, representing all, declares war, it binds every citizen, whatever may be his private and individual judgment of the merits. It becomes the law of the land, and henceforth the only course for every person is to help to fight it through. There must be no "vetoing" of this war-making power in Congress. If adequate volunteers do not rush to the colors, the country may "command" her sons and daughters and "compel" them to go. If adequate resources are not voluntarily contributed, then by the same power, for the same purpose, the Congress can "take" whatever the Army and Navy may need in order that the full force of the military power may be exerted.

JUST COMPENSATION FOR ALL PROPERTY TAKEN

But we are reminded that one part of this very same Constitution, to wit, the fifth amendment, declares that private property shall not be taken for public use without just compensation therefor. When properly understood, the fifth amendment offers no obstacle to the war-making power of our Government.

It does not provide that private property shall never be taken for a public purpose, but merely prescribes that payment shall be made therefor. Such provision is wise and just. It would be manifestly unfair to take one man's factory or one man's railroad or one man's coal mine or one man's farm or one man's steamboat and use the same in carrying on war and make no adequate compensation for the use thereof, while other citizens, under equal obligation to help carry on war, have their factories or their railroads or their coal mines or their farms or their steamboats untouched and unharmed. But the fifth amendment does not say that the property shall be paid for "before" its use, and merely provides that at some time "just" compensation shall be made. Therefore, in the emergency, whatever property is needed may be taken, and taken instantly, and thereafter just compensation made, and that compensation must be "just" not only to the owner, but also "just" to the public that pays. "Justice" means fairness and reasonableness under the circumstances. Therefore, justice requires that no fabulous, fictitious, and inflated war-time prices shall be paid for property taken and used. The same principle was applied in making just compensation for "man power" during the recent World War. Congress had prescribed the monthly pay for soldiers to range from $30 a month upward. But after the war good conscience and justice, not legal obligation, declared that such compensation was inadequate and, after much discussion, Congress passed legislation to adjust and pay additional compensation for the services of the soldiers. There was no constitutional obligation to do this.

Congress may draft the soldiers without providing one single cent of compensation, even during the period of service. But would Congress do such an unjust thing? Members of Congress know that they are answerable to the soldiers, and under our system of government the voice of the people is finally supreme. Therefore, the provisions of the fifth amendment merely conform to the ideals of republican institutions and demand a just exercise of the war-making power.

EQUALIZE BURDENS OF WAR THROUGH "POWER TO TAX"

But Congress has another power, unrestrained, unlimited, both in war and in peace, and this power may be exercised to insure justice in distribution of the burdens of war. It is the power to levy and collect taxes. It is a fact that many do not realize that about 40 per cent of the revenue raised and expended by our Government during the period of the recent war was raised by taxation. Many conservative and experienced and well-informed men who had intimate contact with the administration during the war have expressed the opinion that if there had been no inflation of prices, if a peace-time average of prices had been maintained by force of law during the war, the money cost of the war would have been reduced by at least one-half. The average price level of all commodities during the World War was nearly two and a half times the average peace-time price. Bringing these two facts together, we find that if prices had not become so much inflated we could have financed the war merely upon the taxes that were collected and without the issue of a single bond; and if we had done so, we would have been to-day debt free and would not have a mortgage in the form of bonds upon the earning power of the people of this country aggregating more than $20,000,000,000 that will require the labors of two or three generations to discharge.

NO DRAFTING OF LABORERS

There has been much confusion of thought and much loose and ill-considered utterance in connection with the subject of what is commonly described as "universal draft," and "universal mobilization," and "drafting of wealth to make war," and other phrases of like import. Some, with sweeping and irresponsible generalization, have declared that the whole Nation, with all her resources, must be instantly militarized, that martial law must prevail everywhere, and that men and women, old and young, even children, with all that they have, must be considered as in one mighty camp, subject to military discipline, to do and to give whatever those in authority may direct. Some have leveled their anathemas at men who labor with their hands and have heretofore received wages of eight and ten and fifteen dollars a day for work as civilians, while soldiers were suffering and dying in the trenches at a dollar a day. Others have directed their maledictions at the wholesalers and forestallers and engrossers and speculators and manipulators who cornered the market for essential commodities and demanded and received fabulous prices and profits, became millionaires in a day, and thus capitalized and commercialized the calamity of war and grew rich out of the necessities and sacrifices and sufferings of the Nation.

I feel compelled to say that progress in the direction of legislation, looking to a fairer and more just and more equal distribution of the hardships and inconveniences and sufferings of war, has been delayed by reason of the excessive claims and demands of some of the advocates of such legislation. Personally, I believe it would be unwise and imprudent and impracticable to undertake the conscription and militarization of manual laborers, whether for use upon shipbuilding or house-building or road building or factory working or farm working or elsewhere. It is my belief that only the fighting forces and those agencies directly contributory thereto, such as medical, quartermaster, etc., should be taken from the civilian population by selective-service draft. To do otherwise would greatly dislocate, and might paralyze industry, mining, and agriculture. The military authorities would not and could not know how to distribute the workers among the factories and farms. The psychological factor must not be ignored. Human beings are not machines. They have feelings and thoughts. There are limits beyond which they will not endure. The overwhelming majority of the people must first be convinced that a war is just and worthy of any sacrifice, even death, and then, when it is declared, public opinion, as well as force of law, will compel the acquiescence of any small dissenting minority into conformity with the plans and efforts of the Nation to raise and support and maintain the armies and navies.

NO MILITARIZATION OF INDUSTRIES

In like manner, enthusiasts and idealists have maintained that all the material property and all the financial resources of the Nation must be instantly poured into a mighty national war hopper, there to be employed as military experts may determine necessary in the conduct of war. Such a proposition is preposterous to practical minds. The men who in peace time have built and operated industries can operate them more efficiently in war than Army officers can. They know how to manage labor in order to get the most satisfactory results. If all property were appropriated and commandeered and dumped into the war machine, of course, there would be no incomes to be taxed, and consequently no source of revenue wherewith to pay that just compensation required by the fifth amendment to the Constitution.

A SANE PROGRAM OF JUSTICE

Then, what is a fair and reasonable program for the conduct of war so as to bring about a more just and equal distribution of the burdens of war? We believe that the war is the whole Nation's business. It is not the affair merely of those in the Army or the Navy. The soldiers and sailors have no more at stake than the civilians back home. The war is everybody's business. If the cause of the war is not such as to justify a contribution to the limit of his qualifications and capacities and resources by every citizen, then we ought not to be in the war, and Congress should carefully consider this aspect of the problem before declaring war. But this equalization can not be theoretically and mathematically exact and ideal.

It is a practical world we live in, and war is an abnormal condition and fortunately very occasional and temporary, and should be so conducted as to result in the minimum of dislocation and demoralization of the existing order of things. Therefore, in addition to the exercise of the power of drafting soldiers and sailors by selective service, and in addition to the power to commandeer and take necessary physical property without delay, subject to consequent compensation, there are two outstanding measures that should be taken at the outbreak of another war. We should have our minds made up in advance on these matters and, if possible, the outlines of general legislation should be placed upon the statute books now and we should not wait until the heat and excitement and the tumult of war in order to legislate. The first of these is the stabilization of all prices. This can and must be done by the fiat of law. Only the emergency of war could justify such an artificial and unnatural mandate.

STOP PROFITEERING BY STABILIZING PRICES

The stabilization of prices as contemplated by those familiar with the details essential to carry out this program of seeking to equalize the burdens and inconveniences of war is not price fixing as ordinarily understood. It does not mean picking out different commodities and prescribing by statute the prices for which the same may be sold. But it does mean taking the prices of all commodities as they are found and ascertained to prevail in a free market at a fixed date, say, 90 days before the declaration of war, and prescribing that the prices so prevailing shall be observed in transactions between citizens and in transactions of citizens with the Government.

This is fair and just. The price of any commodity is a relative matter, economically considered. The real price is the quantity of commodity or service that must be given for a given commodity or the quantity of service or commodity that may be received for a given commodity. The excuse made during the war for the pyramiding of prices was that the raw material and labor, rent and interest, and other factors going into other commodities had risen and were continuing to rise, and, in order to meet these rises, the prices of manufactured articles must be raised. In turn, labor contended that what it had to buy and the rents it had to pay had gone up, and it must have more wages. The merchants claimed that not only had commodities advanced but store rents advanced, clerk hire advanced, and taxes advanced, so that they must increase prices. These retail prices again, in their turn, affected the wages of the laborers and the prices of raw materials. So this vicious circle swung rapidly around, rising constantly higher and higher, to the terrific peak of more than 250 per cent of normal prices. The stabilization of prices will eliminate such excuses for price boosting, and the result will be equality and fairness to all parties concerned.

"PAY-AS-YOU-FIGHT" PROGRAM

The next step that practical men, bent upon seeking, so far as possible, the ideal of justice among all citizens in the duty to make and carry on war, is to understand in advance that taxes, heavy taxes, burdensome taxes, will be imposed to meet the current expenses of the war. The slogan should be, as far as possible, to "pay as you fight," so that as the soldier sacrifices time and blood and life in carrying on at the front, the taxpayer back home, conducting his business, living with his family, shall contribute from his substance the material things necessary to satisfy the current demands of the fighting forces.

The issue of bonds to finance the war should be reduced to a minimum, if not entirely eliminated. Undoubtedly, the tremendous inflation of credit and currency and prices during the World War was due in part to the stupendous issue of bonds. These bonds were largely carried by being floated at the banks and the credit and currency of the people were almost doubled. But some may protest that to stabilize prices would eliminate war profiteering, and to eliminate bond issues would prevent inflation, so that there would be no unusual stimulus to business and, in fact, there might be an apparent stagnation, thus resulting in a diminution of incomes which, in turn, would result in a diminution of income taxes and, if the war should be financed as fought, taxes might be so heavy as to amount in fact to a capital levy. That chain of argument is considered by its makers as reducing the pay-as-you-fight proposition to an ad absurdum. But I refuse to be frightened by the thought of even a capital levy in order to carry on war. At most, it can but mean that a very small percentage of the existing capital reserves of the people shall be taken for the extraordinary and urgent needs of the Government in time of war.

HUMAN LIFE HIGHER THAN MATERIAL PROPERTY

Does not the man at the front, and all those under arms cooperating with him to make his fight effective, submit to a capital levy to a very real and even terrific degree? The best part of the assets and capital of the young man is his body, his health, his time—yea, his life. In order to defend the Nation, in order to make it secure to every man and woman within its bounds, in order that all may equally enjoy the blessings of this Nation, the strongest and best of our young men are called out to give, in unstinted measure, the riches and vested rights of health and strength and life.

Is it fair, is it just, is it in conformity with that fundamental American conception of equality of rights and equality of obligations, that some of our citizens should be called upon to give their all to defend the Nation's rights and life, and others, at the same time, be not called upon to make a sacrifice of a small proportion of accumulated capital? I recall these words from the inaugural address of President Warren G. Harding, March 4, 1921: "There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war, while another portion is fighting, sacrificing, or dying for the national defense."

JUSTICE A FACTOR IN NATIONAL DEFENSE

To make effective such a program tending toward a just and fair distribution of the burdens of war is the greatest step in the scheme of national defense. It will mean that all the resources of the Nation will be directed instantly upon the outbreak of war to the making and gathering of such a combination of human, material, and financial resources as must be well-nigh irresistible. Further, it will mean that among the men who are fighting and directing, among those sacrificing and suffering, there will not rankle that sense of injustice and of unfairness at the thought that others are not only escaping from the obligations of such a service but are actually commercializing the Nation's needs and profiteering upon the Nation's peril. There is an inherent and indefinable consciousness in every human breast of what is just and fair and right. Education may clarify its definition but can neither create nor destroy its existence.

"PAY AS YOU FIGHT" AND NO PROFITEERING INSURES PRUDENCE

While this program of invoking all the resources of the Nation to cooperate in one combined effort of war when war is inevitable insures military efficiency, yet it is at the same time one of the surest guaranties that our Nation will never embark upon an aggressive and unjust war. We are a peace-loving people. We know that we may best accomplish our mission to build up a great Christian civilization for the blessing of our own people and to serve as a shining example to all others only while peace prevails. But we are vividly conscious of our obligation to the ideals of the Republic. We feel that these ideals can only be achieved under conditions of undisputed national security. Much as we love peace, and will insist to the limits of patience upon its preservation, yet, as a practical people knowing the plain lessons of history and the teachings of bitter experience, we refuse to live in a fool's paradise and to bury our heads in the sands of a false sense of security. But the program here outlined, of no war profits and of heavy war taxes, will prove an efficacious deterrent to the rash and ill-considered agitation of chauvinists and militarists. It will compel certain great financial interests that control the mighty metropolitan dailies to think carefully and to speak mildly in crucial times. If the capital that controls newspapers knows that it can not profit and may suffer some of the burdens of war, it will be cautious and prudent in editorial utterances. The man on the street who knows that he is unfit by age or physical infirmity to bear a soldier's part in war will restrain his tongue and no longer agitate for war if he realizes that he must contribute of his substance, even to the point of sacrifice, in order to carry on the war.

RIGHTEOUS WAR OF DEFENSE

With all selfish motives of pride and profit by war eliminated, with the hysteria and delirium of war excitement checked and restrained by the thought of heavy financial burdens, we may feel sure that one motive, and one motive only, may ever impel the good people of this great Republic to take up arms against another nation. That motive will be the defense of either the physical integrity or of the international rights of the Nation. With a war caused by and based upon such a condition, with a situation confronting all the people, that means either supine submission to a foreign will or fighting in defense of the Nation's rights and life, there can be no question but that any war declared by Congress will be a just war. Being just, being righteous, being backed by the heart and conscience of the overwhelming majority of the people, the law of selective service for human beings and a law to prevent profiteering by the stabilization of prices and to require the equitable contribution of the sinews of war by those having capital will not be a heartless mandate to compel the sullen obedience of the people to a harsh war program, but will be merely the legal measure of what all the people will cheerfully do to defend the Nation's cause.

A NEW AMERICAN SLOGAN

Therefore are we not justified in advancing one step further in the crystallization of national ideals into well-remembered phrases that express the heart and soul of Americanism? For more than 125 years American citizens of all sections and of all parties have acknowledged that the essence of American institutions finds a voice in the phrase "Equal rights to all and special privileges to none." To that incomparable expression of the peace-time policies of our Nation, let us now, while the lessons of the late war are still fresh in every mind and heart, write upon the statute books of this Republic laws looking toward the equalization of the obligations and hardships of war, and phrase this other epitome of the American war-time policy thus: "Equal burdens and equal sacrifices for all and special privileges and special profits to none."

SALE OF COLUMBIA ARSENAL, TENN.

Mr. ESLICK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2156) authorizing the sale of all of the interest and rights of the United States of America in the Columbia Arsenal property situated in the ninth civil district of Maury County, Tenn., and providing that the net fund be deposited in the military post construction fund, and for the repeal of Public Law No. 542 (H. R. 12479), Seventieth Congress, with Senate amendments thereto, and agree to the Senate amendments.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to take from the Speaker's table the bill H. R. 2156, with Senate amendments thereto, and agree to the Senate amendments. The Clerk will report the bill and the Senate amendments.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 1, line 4, strike out "the" and insert "The."
Page 2, line 2, strike out "the" and insert "The."
Page 3, line 14, strike out "the" and insert "The."

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Without objection, the Senate amendments will be considered as having been agreed to.

There was no objection.

COTTONSEED TRUST INVESTIGATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks on the Cottonseed Trust investigation, and to insert, in connection with that, certain extracts and testimony.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, permission having been granted to me to extend my remarks and to include certain excerpts from the testimony on Cottonseed Trust investigation, the following is submitted:

COTTONSEED TRUST INVESTIGATED

The investigation of charges that the cottonseed-oil mills of the South have conspired together for the purpose of setting the price of cottonseed are being investigated by the Federal Trade Commission. The investigation is being conducted by Mr. W. W. Sheppard, examiner, and prosecuted by Mr. Walter Wooden, assisted by other attorneys of the commission. The hearings have not been printed, but under the terms of a resolution passed by the Senate, the hearings will be printed in the near future and can be obtained through the Government Printing Office.

The testimony already introduced clearly sustains most of the charges made against the conspiracy. Although the witnesses heard would be considered defense witnesses, it was necessary, however, for the commission to use these witnesses at the time they did in order to get the proper background of the industry.

DEPARTMENT OF JUSTICE REFUSES TO HELP FARMERS

It will be remembered by those who have been keeping up with the charges I made that from the early part of September, 1929, until the cotton season was over I was in communication frequently with the Department of Justice of the United States. The Hon. John Lord O'Brian, the assistant to the Attorney General, has charge of antitrust prosecutions. I conferred with him frequently by correspondence, by telephone, and personal interviews during the months of September and October. I was insisting that the Department of Justice declare illegal certain resolutions that the representatives of the cottonseed-oil industry had agreed to at Memphis, Tenn., July 24, 1928. I furnished the department with a copy of these resolutions, which showed on their face to contain agreements in violation of the law. If the Department of Justice had acted promptly in declaring these resolutions illegal, the farmers of the South would have saved at least twenty-five or fifty million dollars on their cottonseed. The department refused to advise me, and in a letter from the Hon. John Lord O'Brian to me of date February 24, 1930, he stated:

> Please be advised that the acts of Congress provide that the Attorney General shall give opinions only to the President and the heads of executive departments and certain independent government bureaus and that it has been the practice of Attorneys General not to give opinions on inquiries from other sources.

CAN NOT ADVISE FARMERS' REPRESENTATIVES, BUT ADVISES WITH TRUST REPRESENTATIVES

The testimony introduced before the Federal Trade Commission June 12, 1930, discloses that Christie Benet, general counsel for the National Cottonseed Products' Association, which is in fact the Cottonseed Trust, was in communication with the Department of Justice. In a letter from Christie Benet, the lawyer for the trust, who had more to do with the organization than any other one man, to the members of the executive committee of the National Cottonseed Products' Association dated November 12, 1929, Mr. Benet stated:

> Department of Justice: By appointment President Hodgson; Mr. Asbury, of the executive committee; Mr. Crow, chairman of the refiners' division; Mr. Deupree; Mr. Haines; and I met with Mr. O'Brian at 2 o'clock on Friday. Mr. O'Brian stated that the department was bound by the decision of the Supreme Court of the United States in the Maple Flooring and Cement cases, which authorized and approved the interchange of information through a trade association on past and closed transactions, but that the department felt that it was illegal and beyond the law, as interpreted to date, to interchange current market information, as that tended, in their opinion, to create either a price fixation and/or maintenance. In other words, that the bid and offered information could not be legally interchanged through an association. We discussed fully with Mr. O'Brian the position of the industry, both the crude mills under the Memphis resolutions, and the refiners' division under the refiners' code, which had been approved by Colonel Donovan; but he stuck to his position that as the department saw the law to-day, and until a test case was brought and decided, they could not approve the interchange of current market information.
>
> Before going to Washington I had received telegrams and letters from Mr. O'Brian, in which he stated that the complaints which had been made to the department from various sections of the belt confirmed the opinion which the department had that the price-reporting plan and the way it had worked out was illegal and that he felt that the department should bring a test case to test the principle of reporting current price information, and pending the decision ask for an injunction to prevent the practice.

ILLEGAL COMBINATION KEPT ADVISED BY DEPARTMENT OF JUSTICE

It will be noticed from the above that Christie Benet before going to Washington "had received telegrams and letters from Mr. O'Brian." It will be noticed, too, the date of this letter indicates that Mr. O'Brian was conferring with Christie Benet during the time I was conferring with him.

Mr. O'Brian not only refused to help the farmers by breaking up this illegal conspiracy in compliance with my request at a time cottonseed was being marketed but he was advising with the farmers' enemies, the ones who are guilty of violating the antitrust laws.

ADVANCE NOTICE GIVEN IF PROSECUTION CONTEMPLATED

December 3, 1929, R. F. Crow, of Houston, Tex., one of the high-ups in the Cottonseed Trust and cottonseed-oil combination, wrote Mr. Christie Benet, P. O. box 188, Columbia, S. C., a letter in which the following is the closing paragraph:

> In the opinion Asbury expressed with reference to what Mr. O'Brian is thinking, he has completely changed his views since leaving Washington. Even after reading Asbury's letter I can't get excited. Our course is perfectly clear, namely, submit the code as amended to Mr. O'Brian, tell him briefly the practical developments. If he doesn't like what happens, he will tell us so in plenty of time. No use crossing bridges until you get to them.

It will be noticed that the illegal combination is not afraid of the Department of Justice. In speaking of Mr. O'Brian, who has charge of antitrust matters, in reference to the illegal conduct of the combination, Mr. Crow stated:

> If he does not like what happens, he will tell us so in plenty of time.

What I would like to know is, What right has the Department of Justice of the United States to commit itself to advise illegal trusts and combinations in plenty of time when they are violating the laws of the United States?

The letters above referred to are a part of the testimony in the cottonseed investigation.

DEPARTMENT OF JUSTICE SHOULD BE INVESTIGATED

An investigation of the Department of Justice with reference to antitrust matters would disclose some startling conduct on the part of one or more officials of our Government.

CONDUCT OF FORMER ATTORNEY GENERAL

I have read the book, The Strange Death of President Harding. It contains a confession of Gaston B. Means, who was an employee of the Department of Justice during the administration of Harry M. Daugherty and a special investigator for Mrs. Harding, the wife of the President of the United States. This man's confession should not go unchallenged. If it does, the American people will demand appropriate action. He states that Jess Smith was murdered at the instigation of the Attorney General of the United States in order to prevent the said Jess Smith from disclosing evidence in his possession which would cause the impeachment and conviction of Harry M. Daugherty.

PRESENT ATTORNEY GENERAL—DUTY PLAIN

The present Attorney General of the United States is not making any effort, so far as I know, to break up monopolies, trusts, combinations in restraint of trade, and conspiracies which are costing the American people millions of dollars a day. I wonder if the department is going to let go unchallenged or without a thorough investigation and report to the American people the statement that a Cabinet member of the United States Government has caused human life to be taken for the purpose of destroying evidence against this Cabinet official. There is no limitation on a prosecution for murder.

MURDER WILL OUT

Gaston B. Means contends that he is in possession of facts to back up every statement that he makes. He discloses a state of facts that show that Jess Smith was murdered in the apartment of Harry Daugherty in the Wardman Park Hotel in the city of Washington, D. C. Therefore witnesses are living who can relate facts and circumstances of a murder. The party who is charged with the murder and the cause of the murder, if Means's statements are true, is now living. The

confession of Means has been widely read by the people of the United States. His disclosures are startling and are calculated to weaken the confidence of the people in the Government of the United States if they go unchallenged and without a satisfactory answer.

DAUGHERTY RÉGIME

Means discloses that he was working with Jess Smith in the Department of Justice of the United States during the Daugherty régime. Jess Smith is alleged to have been the bribe taker for the administration. It was also his duty to distribute the money to those who were in on the conspiracy. It is alleged that he collected tens of millions of dollars by using the Department of Justice as an agency for exacting and receiving bribes for Harry M. Daugherty on the sales of paroles, pardons, Federal judgeships, United States district attorney offices, privileges to remove whisky from bonded warehouses, privileges to sell whisky under Federal protection, the exhibition of Dempsey-Carpentier fight-film pictures, disposition of seized property in connection with the violation of Federal laws, and numerous other matters.

THE GANG'S HEADQUARTERS

Means claims to have occupied a fashionable home, luxuriously furnished, at 903 Sixteenth Street NW., Washington, D. C., during the time of his activities, which was considered the undercover executive headquarters for the gang. This building is in close proximity to the White House, the Treasury Department, Department of Justice, and other public buildings. In fact, a person standing on the roof of this building could throw a stone on the top of either the White House, Treasury Department, or Department of Justice without a great deal of effort. There was even a secret passageway which was used from the Department of Justice into the rear of this building. Means claims that they had the rear end of the lot adjacent to this building so arranged that two iron cages had to be gone through, which were securely locked before entrance could be gained into the building; that there was a hole dug in this yard 20 feet deep by Means and his gang, which was used for the purpose of keeping their bribe money until it could be carried to a bank in Ohio under the control of Mal Daugherty, a brother of the Attorney General. It is claimed that they had as much as $500,000 in this hole at a time and never less than $50,000. Means, as an agent of the gang, was drawing a salary from the Department of Justice of $89.33 a week. Jess Smith was paying for him house rent at the rate of $1,000 a month and providing him with five excellent servants, a five or six thousand dollar Cadillac car with chauffeur, which was always at his disposal day or night.

JESS SMITH READY TO SQUEAL

It is said that Jess Smith, being a former department-store clerk and feeling like an accurate account should be kept of all transactions at all times, kept an accurate and detailed account of all the bribe money taken in by him for the benefit of the gang. He made accurate account to all the members of the gang, but kept this detailed statement in writing on his person in a secret belt which fit under his clothing. The gang was being investigated and it is said that Jess Smith was ready to "squeal." For some reason, not exactly known, Harry M. Daugherty, Attorney General of the United States, left his apartment, where he resided with Jess Smith at the Wardman Park Hotel, and remained at the White House a few nights. One of these nights Jess Smith's life was taken in this apartment and Means admits that he was called to that apartment several hours before the death was disclosed, and was by Harry M. Daugherty's agent directed to search the body and take from it these secret papers, which he did and delivered them to Harry M. Daugherty's agent.

LIVING WITNESSES

This confession discloses facts, which if true, can be substantiated by living witnesses and corroborated by other testimony.

HIGH OFFICIALS BRIBED

It is shocking to read in this confession how money was collected as bribes by high officials of our Government. It is said that the bribe takers would go to hotels and arrange for a place for the bootleggers to come and throw into a glass bowl that was arranged for that purpose bills in denominations of $500 to $1,000, never less than $500. An average of $250,000 would be collected on each trip to New York and other places in Massachusetts, Connecticut, Rhode Island, New Jersey, and Pennsylvania.

NO ANTITRUST PROSECUTIONS NOW

A short time ago I made the statement that the present Attorney General of the United States is now following in the footsteps of Harry M. Daugherty in so far as his policy toward prosecuting those who are guilty of violating our antitrust laws is concerned. Daugherty soon after he came into office said that there would be no wholesale indictments obtained, but a test case would be instituted against a typical organization that was charged with operating in restraint of trade. Soon after Mitchell came into office practically the same announcement was made, at least his actions against violation of the antitrust laws are the same. No enforcement from either of them. I do not charge crookedness or corruption on the part of the present Attorney General of the United States.

ANTITRUST SUITS DISMISSED

This confession of Means charges that Daugherty dismissed more antitrust cases against large concerns than any other Attorney General of the United States. Daugherty succeeded in satisfying a large group of people who were interested in the enforcement of the prohibition law by pretending to be rigidly enforcing this law. He also claimed that it was necessary to dismiss these antitrust suits in order to make way on the dockets of the courts for Volstead violations.

POLICY OF PRESENT ATTORNEY GENERAL

The present Attorney General of the United States seems to be trying to use the old prohibition smoke screen to hide his failure of duty from the American people. He is permitting illegal combinations to thrive by collecting from the people unreasonable and unheard-of profits. Monopoly always exacts the highest price that the people can pay. Monopolies are being permitted to be organized by the Attorney General and set prices. The Attorney General doubtless knows that there is no power on earth to prevent these concerns from charging several times a reasonable price after having any agreement whatever as to prices.

Prohibition has been used as a smoke screen for the last 10 years. The law will never be enforced so long as it is used for that purpose. It looks like now the present Attorney General of the United States, following in the footsteps of Harry Daugherty in this regard, is preparing to use it to hide his failure to enforce the antitrust laws. I believe in the enforcement of the prohibition law, and it is not to the interest of effective prohibition enforcement for prohibition to be used as it is being used—as a smoke screen to hide indefensible acts of an official of our Government.

The antitrust laws and all other laws should be strictly and rigidly enforced.

The policy adopted by the Department of Justice toward monopolies and trusts is wrong. It is destroying independent business. It is making the rich richer and the poor poorer. It is destroying that great middle class—the foundation stone of our Government.

MODIFICATION OF THE EIGHTEENTH AMENDMENT

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, I have to-day introduced a joint resolution proposing the modification of the eighteenth amendment by an amendment to the eighteenth amendment itself.

I gladly admit that the eighteenth amendment has resulted in much good. It has for example eliminated the saloon which none wishes to see restored. But it has provoked many new evils. The speakeasy and bootlegger now infest the land. The present situation is deplorable. The criminal element has become a well-financed industry due to the swollen profits from the illicit liquor traffic. The problem involved in prohibition has not been solved. With Chairman Wickersham, of the President's Law Enforcement Commission, I do not believe it can be solved by armies of Federal police and more jails. The fine common sense of the American people must and will find a solution that will retain the benefits of present prohibition and at the same time eliminate the brood of evils that the present system has created. It is obvious that the majority of Americans are not satisfied with the present intolerable conditions.

What I said in a public statement in September, 1922, has been fully confirmed by the developments of the past eight years. I quote in part:

> The very officers of enforcement unable to withstand the temptations, are in many cases the leaders in the violation of law and corruption. There is everywhere a dangerously increasing contempt for all law. A just common-sense solution of this problem will never be found until the people are willing to face the facts. Prohibition under the Volstead Act is a failure.
>
> The American people do not want the saloon and it should never come back. I am convinced, however, that a great majority of the

American people resent the present Volstead law. Without law and order the Government can not endure. Contempt for the law leads to anarchy. I believe in liberty limited by law, but I am opposed to laws which beget a spirit of lawlessness.

What the eventual solution will be I do not venture to predict. I am confident one will be found. The tolerant majority with clear thinking and common sense will prevail in the end as it always has. As a suggested solution I have introduced a modification of the eighteenth amendment.

My resolution first of all provides for its ratification by specially called conventions rather than by the legislatures of three-fourths of the several States. This is in accord with the fifth article of the Constitution. Ratification by conventions will place the issue squarely before the people themselves. It will avoid the possibility of confusing this issue of ratification with other local and State issues.

The resolution modifying the eighteenth amendment then proposes to give to each State by affirmative action the sole right to control and regulate the liquor problem in any way that each State might see fit. It is accomplished by adding two sections to the eighteenth amendment. The present eighteenth amendment would remain in effect for those States that do not take affirmative action. In other words, those States that are satisfied with present conditions would continue to be fully protected by the Federal Government. The States that are not satisfied with present conditions could assume the sole power to regulate the manufacture, sale, or transportation wholly within such State of liquors for beverage purposes. A State would be given the right to remove itself from the provisions of section 1 of the eighteenth amendment. This will restore to those States which wish it the power to determine their own policy toward the liquor traffic. At the same time the Federal Government will continue to have the power to give all possible protection and assistance to those States that desire to continue the attempt for complete prohibition. It is in accord with the American principle of States rights and home rule.

This suggested solution would never result in the return of the saloon as no State taking affirmative action would ever adopt regulations permitting it. No political party would dare to sponsor regulations that would mean the return of the saloon, nor would any single individual. I believe, therefore, that this suggested modification of the eighteenth amendment would result in real temperance, would prevent the return of the saloon, and would eliminate the bootlegger and speakeasy in those States that might decide to take advantage of this provision by affirmative action.

This proposal should not meet opposition in those States which are satisfied with present conditions because they will be protected. On the other hand they should be willing to give States where different conditions prevail the power to work out this most difficult problem in a way that meets with the approval of the peoples in each State.

I do not pretend that this suggested plan is the best solution of the problem. It is offered to stimulate discussion in the hope that it may bring home to all that this question is fundamentally a great constitutional question rather than a moral question. Prohibition is a question of polity; temperance is a question of individual morality.

Of course, it can not be denied that it is contrary to the spirit, traditions, and fundamental purpose of our Constitution to write into it what amounts to a police statute. The repeal of the eighteenth amendment alone will cure this error.

However, to meet the opinion of millions of earnest Americans who seek a solution that will safeguard those States which still wish to aim at complete prohibition, I have suggested this modification of the eighteenth amendment which I have been working on since last January. It will at least give the people of a State the sovereign right to regulate their own problems and it will permit them to resume the police powers originally reserved to them in our Constitution.

Those who do not believe in State rights and home rule and have no faith in the people of each State and their ability to regulate their own social problems and welfare will, of course, be opposed to the suggested plan.

The text of the resolution follows:

[H. J. Res. 387, 71st Cong., 2d sess.]

Joint resolution proposing an amendment to the Constitution to amend the eighteenth amendment.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by conventions in three-fourths of the several States:

That Article XVIII is amended by adding at the end thereof the following new sections:

"SEC. 4. Any State or Territory may, by law thereof enacted after the ratification of this section, provide that the prohibition contained in section 1 of this article shall not apply to the manufacture, sale, or transportation wholly within such State or Territory of intoxicating liquors for beverage purposes, and thereafter such State or Territory shall have the sole power to regulate the manufacture, sale, or transportation of such liquors wholly within such State or Territory.

"SEC. 5. Congress may, by law enacted after the ratification of this section, provide that the prohibition contained in section 1 of this article shall not apply to the manufacture, sale, or transportation wholly within a place subject to the jurisdiction of the United States (other than a State or Territory) of intoxicating liquors for beverage purposes."

"SEC. 6. Congress shall have power, by law enacted after the ratification of this section, to regulate the importation of intoxicating liquors for beverage purposes from any foreign country, or from a State or Territory, into any State or Territory which, under the provisions of section 4 of this article, provides that the prohibition contained in section 1 of this article shall not apply in such State or Territory."

UNITED STATES BORDER PATROL

Mr. MICHENER. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 254.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 254

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11204, a bill to regulate the entry of persons into the United States, to establish a border patrol in the Coast Guard, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'CONNOR of New York. Mr. Speaker, can the gentleman make some agreement as to the time under the rule?

Mr. MICHENER. I was going to ask the gentleman in regard to that.

Mr. O'CONNOR of New York. We shall need at least half an hour.

Mr. MICHENER. Mr. Speaker, this is the usual rule, to make in order the bill H. R. 11204, which is commonly known as the border patrol bill.

The purpose of this measure is to establish a unified patrol service along the land borders of the United States, to make more effective the laws against unlawful entry of persons and property, and at the same time to serve the convenience of those lawfully crossing the borders.

The establishment of this unified patrol service was recommended by the President in his message to Congress at the opening of the present session, and is earnestly favored by all the departments involved. The bill has been carefully considered by the Committee on Interstate and Foreign Commerce.

When the House considers it in detail the bill will be thoroughly explained, and I shall take up no more time now in explaining the bill, inasmuch as we are at this time considering the rule making the bill in order.

Mr. HASTINGS. Do you hope to get the bill into the Committee of the Whole to-morrow?

Mr. MICHENER. Yes. We do hope to get it in Committee of the Whole to-day.

Mr. HASTINGS. To-morrow is Private Calendar day.

Mr. MICHENER. To-morrow is the Private Calendar day, and this bill will be privileged. It will be up to the Speaker to determine which course he will pursue in regard to it, whether we continue with this bill or take up the Private Calendar.

Mr. PATTERSON. We would like to know what the program is going to be.

Mr. HASTINGS. That is why I made the inquiry, whether this bill would be taken up to-morrow.

Mr. MICHENER. I believe we will be able to take it up to-morrow.

Mr. TILSON. It will be considered the unfinished business to-morrow.

Mr. STAFFORD. Is it the intention to go into Committee of the Whole on that bill this evening?

Mr. MICHENER. Yes; under general debate.

Mr. STAFFORD. How far is it proposed to go with the general debate?

Mr. MICHENER. As long as the committee will permit. It is the purpose to go into Committee of the Whole but perhaps we can not finish the general debate to-night.

Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. I will ask the Speaker to advise me when I have used 15 minutes.

Mr. Speaker, in the few remarks which I made this morning in connection with the veterans' bill I mentioned the fact that this bill for the establishment of a border patrol was one of the important bills still pending in this House. I am glad it has not been brought out under suspension of the rules but is now brought out under a rule from the Committee on Rules so that it can be properly considered and amended.

This bill is a distinct departure in dealing with our boundaries, on the north, of 2,839 miles, excluding the Great Lakes and St. Lawrence River of over 665 miles, and our Mexican border on the south of 1,677 miles.

For over a century we have boasted of our neutrality along those borders. We have told the world that we had no forts nor fortifications between us and our two neighbors, that we have had no armed force patroling those borders that might possibly disrupt international amity. That was a proud boast and a laudible relationship between neighboring nations.

Now, for the first time in 116 years, it is proposed that we place an armed and uniformed force along those borders under the guise of controlling immigration, prohibition, and customs. Let us in calmness consider the need for such an extraordinary departure from our traditions.

This bill was introduced by the gentleman from Michigan [Mr. HUDSON], one of the "dry" leaders of this House and an admitted sympathizer of the Anti-Saloon League. It was referred to the Committee on Interstate and Foreign Commerce. Why, you may ask? Because the original bill proposed to make this border patrol a part of the Coast Guard, which is part of our Army and over which that committee has jurisdiction.

One might well wonder why it was not sent to the Committee on Immigration, if its chief purpose was to apprehend smuggled aliens. That committee was working on the problem as far as immigration was concerned, nor was it referred to the Ways and Means Committee which has jurisdiction of customs. The chief objection to this bill is that it creates a new crime under our Federal law, the principal and most objectionable feature of the bill being its criminal section, section 4, which provides it shall be be unlawful for any person to enter the United States from a foreign country at any place other than a point of entry which shall be designated by the President, except, and so forth. I particularly call the attention of the lawyers of this House to that provision. I do not object to protecting our borders against the unlawful entry of persons or merchandise. I am not opposed to the consolidation of the different forces who watch for customs smugglers or prohibition smugglers or aliens trying to enter our country in violation of our immigration laws. I am not opposed to reasonable provisions to meet these conditions, but I am opposed to the vicious features of the bill which make a new crime, a crime which any American citizen or any child might commit, innocently, unknowingly, not willfully, and yet be branded as a criminal for life without any possibility of removing the strain of that criminal record.

I wonder what the Committee on the Judiciary would think of such a proposal if the bill had been referred to that committee. This language of the bill which I have quoted to you, specifically and unequivocably makes a criminal of any person who enters the United States across its northern or its southern border without first going to a point of entry, to be designated by the President. The bill does not say he must do it willfully or knowingly, but it provides that if he puts one foot over the border except at a point of entry, he is guilty of a crime, whether he knows where the border is or does it accidentally with no intent to evade our laws. If an American boy swims out in a boundary river across this imaginary boundary, and then swims back without reporting, possibly a hundred miles away at a point of entry, he is guilty of a crime and always will have that crime on his record. If an American boy or girl skates or paddles across the middle of the Detroit River and then comes back into the United States without first reporting at a point of entry, possibly a hundred miles away, he or she is forever branded as a criminal. If an American citizen is hunting in Canada and unknowingly puts his foot across the border at a spot other than a point of entry, not knowing even that he is back in the United States, he is proven guilty of a crime. He has no defense to the charge. The mere unconscious false step has made him guilty of a crime, and he is branded a criminal for the rest of his life. There is no mitigation of the offense—lack of intent or knowledge can not be pleaded. What would our great Judiciary Committee do with a bill like that if it were before them?

Now, what prompts the bill? It is an attempt to meet the prohibition situation, and that situation alone, on our northern and southern borders. It does not pertain to our ocean borders at all. But, to meet the prohibition situation alone, a new crime, with no intent involved, with no knowledge of wrongdoing involved, there may be placed upon our statute books such a law as this, unheard of in our criminal jurisprudence. It will affect thousands and hundreds of thousands of American citizens. It is true that within the last few days some amendments have been made with reference to the passage of small boats across our boundary waters, so great was the protest from boat associations and owners that when this bill first was reported, it repealed the navigation laws of 1912, which protected small boats from having to report at a port of entry. It repealed two sections of the tariff law which had just become a law, by rescinding the exemptions granted to small pleasure boats. In the past few days the proponents of the bill have been trying to work out some change in these harsh provisions to meet the thousands of protests against the bill. Has the Anti-Saloon League sat in their conferences? It is commonly reported that all changes have had to meet the wishes of that supergovernment of Washington.

New York State has 665 miles of a water boundary with Canada through the St. Lawrence and the Great Lakes. Lake Erie is about 115 miles long, Lake Ontario about 303 miles, and the St. Lawrence River about 247 miles. It has about 74 miles of land boundary.

Now, gentlemen, let us be fair. Whenever the prohibition question is raised, some people see red. All their judgment as lawyers, as legislators, as sportsmen, seems to leave them, and they become unduly harsh and vindictive. Let us be fair about it.

This law would create a crime where there is absolutely no criminal intent. The immigration authorities admit they do not need this consolidation to meet the situation. At the hearings the immigration authorities stated—page 60—that they were controlling the situation very well. Last year they apprehended, with a force of about 847 men, 29,568 aliens attempting to cross the border illegally and 291 smugglers of aliens. They confiscated 741 automobiles and 222 other vehicles with a small force of inspectors admittedly adequate for their purposes. And, mark you, gentlemen, this same immigration force confiscated 352,869 gallons of liquor. The combined forces of immigration, prohibition, and customs, consisting of about 1,500 men, seized last year, and, of course, destroyed, 1,043,366 gallons of liquor, 3,902 autos, and 1,223 boats.

The Assistant Secretary of the Treasury, Mr. Ogden L. Mills, testified before the committee, as follows:

> If you want to consider this—and I am not suggesting that you should—but if you want us to consider this as a prohibition problem or primarily a prohibition problem, remember that we are spending about $15,000,000 on prohibition proper in the United States. I think Governor Lowman and Admiral Billard will tell you certainly not more than 3 or 4 per cent—you will correct me if I am wrong—of the liquor consumed in the United States is probably imported liquor.
>
> Mr. LOWMAN. That is the estimate, 3 or 4 per cent.
>
> Mr. MILLS. Say that it is 5 per cent. Is it logical to spend $15,000,000 trying to prevent the sale of 95 per cent of the liquor consumed and $15,000,000 on the land borders and $22,000,000 on the ocean to prevent the importation of the 2½ or 3 per cent or 4 or 5 per cent, as a business proposition?

The balance of 97 per cent is, of course, manufactured in this country. Since Canada has placed an embargo on exportation of liquors, it is estimated that not more than one-half of 1 per cent is imported. The 1,000,000 gallons of liquor which was confiscated last year represents 3 per cent of the entire consumption of liquor in this country. Now it is proposed to spend upward of $4,000,000 under the guise of consolidation of the border patrols to seize what little more there is being smuggled into this country.

Time and again during this session of Congress we have, at the behest of the President, the Director of the Budget, and the leaders, refused to enact necessary legislation affecting our citizens because it would entail the expenditure of one or two millions of dollars. Now we propose to throw away another $5,000,000 in attempting to enforce an unenforceable law.

Under this bill it is proposed to have the President establish what are known as "points of entry." At the utmost there will

not be over 250 on the northern border of 3,500 miles and not over 100 on our southern boundary of nearly 1,700 miles. In some instances these points of entry will be 100 miles apart, yet every person, American citizen or not, coming into this country must come in through a point of entry or be guilty of a crime. The President will establish the points of entry as he chooses, and anybody coming into this country except at those points of entry will be arrested, confined, and branded a criminal, even though there was no intent to evade any law of the United States.

When the bill shall be read for amendment I propose to offer an amendment to section 4 of the bill by inserting, in line 14, of page 7, after the word "person," the words "knowingly and willfully," and in line 17, on page 7, after the word "President," the words "with intent to evade or violate the laws of the United States." Those amendments should be acceptable to any lawyer or to any fair-minded person.

The Members of Congress from New York are particularly shocked that the responsibility for this bill rests chiefly on the shoulders of four Republicans from New York. It might well be known as the Mills-Lowman-Parker-Snell bill. Mr. Ogden L. Mills, undersecretary of the Treasury, advocated it; Mr. Lowman, of the Treasury Department, formerly lieutenant governor of New York, advocated it; it went through and was reported from the committee headed by the gentleman from New York, Mr. PARKER, and the Rules Committee, headed by the gentleman from New York, Mr. SNELL, whose district is affected more than any other portion of the country, brought it on the floor. Four sons of New York, Mills, Lowman, PARKER, and SNELL, forgetting the interests of their own State, are more responsible for this legislation, which affects the northern boundary of the State of New York, than any other four men. The Anti-Saloon League may have originated the idea but they are responsible for its being before us.

It is not so long ago that the Rev. Dr. "True" Wilson, that unprejudiced, that unbigoted exponent of tolerance and truth, proposed that we stand the marines on the Canadian border shoulder to shoulder, with cocked rifles in hand. Mr. Lowman, as usual, subservient to Wilson and his buddies, Cannon and McBride, wanted to submit to the suggestion but only went so far as to arm the border patrol with machine guns and sawed-off shotguns. The result was outrageous assault and death to many innocent citizens. President Hoover, a man of some discernment as to the patience of our people, called in Mr. Lowman and said, "Stop that; just give those guerrillas pistols and clubs." Mr. Lowman replied, "Why Mr. President, I would build a barbed-wire fence 20 feet high along that Canadian border." That was about the limit, for Mr. Hoover then said to Mr. Lowman, "If you ever make another suggestion like that just look for another job—we have been too friendly with Canada for 116 years to build any fence along that border." And Mr. Lowman had to call in the best Republican minds in New York to hold his job.

Failing in that fanatical attempt to get at the enforcement of this one law—the prohibition law—the fanatics now present this bill. It builds a fence more repugnant than any barbed-wire structure, because it interferes with the rights of our own citizens.

Let me read to you what the American Federation of Labor thinks of the bill. That organization is for immigration restriction. There is nobody in this United States more favorable to the restriction of immigration than the American Federation of Labor. Were they deceived into believing that this was an immigration bill? They were not. Here is what Mr. Roberts, their representative, said in the hearing:

> We are opposed to this unified border patrol because we fear it has only one purpose, to enforce one law. We have fought for years to get a border patrol to protect us from an influx of immigration, without avail, but now we consider that the whole purpose of this bill is just merely to have another border patrol to enforce the prohibition act, and I think the immigration act is just as important, if not more so.

The immigration officials said they had the situation well in hand. I believe the Customs Department expressed no desire for this legislation. The gentleman from Oklahoma [Mr. GARBER] asked Mr. Frank Dow, Assistant Commissioner, Bureau of Customs of the Treasury Department, this question (p. 58 of the hearings):

> Has your force been sufficient to efficiently patrol for customs requirement?

Mr. Dow replied:

> I think we have done a pretty good job.

The Customs Bureau testified it did not need any more help. The Immigration Service testified it did not need any more help, but the pressure behind this bill, the same old pressure that was behind the Jones law, which proved to be such a fiasco, even in this House, was too great to prevent its presentation.

There is the same pressure behind this bill, and the desire is to pass it just for the one purpose, namely, that of getting a few more gallons of the 3 per cent of liquor that comes into this country. I do not object to that so much, but in doing it you are going to make criminals of hundreds of thousands of American citizens.

The immigration authorities testified they were controlling the situation. They testified they are already moving to the border; that they are putting their buildings on the border and only needed a few more men. But what does the bill do? It does not state how many men will be used. It does not limit the number of men that may be used to arrest American citizens. The proponents guess that they are going to increase the number from about 1,500 to 2,500; but you know what is going to happen. It always does happen. The 2,500 men may be increased to 25,000, and the hope and the dream of the Reverend Doctor Wilson may come true, and we may really have uniformed men standing shoulder to shoulder along the Canadian and the Mexican borders engaged not only in keeping out the foreigner but keeping out an American citizen from returning to his own country.

Let me read to you what a member of the Interstate and Foreign Commerce Committee said about this bill, the gentleman from Missouri [Mr. MILLIGAN], and he was astounded to find that this bill makes a man a criminal who has no willful intent and who is not trying to evade our laws. Mr. Alvord, counsel to the Treasury Department, was testifying:

> Mr. MILLIGAN. Is not that very unusual, section b on page 2? You arrest a man for a misdemeanor, and then you try him for an entirely different crime?
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> Mr. ALVORD. That probably is not unusual. Persons are frequently arrested for one offense and by the time they are ready for trial or for commitment they decide to change the offense.
>
> Mr. MILLIGAN. You arrest him not with the intention of trying him for that offense. You arrest him merely to take him into custody so that you can try him for some other offense?
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> Mr. ALVORD. That I think is right.
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> Mr. MILLIGAN. Is not that rather unusual?
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> Mr. ALVORD. It may be somewhat unusual.
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> Mr. MILLIGAN. Suppose you arrest a man and then he would sue out a writ of habeas corpus?
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> Mr. ALVORD. I doubt if the writ of habeas corpus would lie, because he was lawfully arrested.
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> Mr. MILLIGAN. He can sue out a writ of habeas corpus in any case, whether he is guilty or innocent?
>
> Mr ALVORD. That is true.
>
> Mr. MILLIGAN. He sues out his writ, and then you contend that he has violated this section because he did not go to a certain point. Then you take him back and try him for an entirely different crime?
>
> Mr. ALVORD. Of course, you can try him for this.
>
> Mr. MILLIGAN. But that is not the intention.
>
> Mr. ALVORD. And that would be the issue on the petition for the writ.
>
> Mr. MILLIGAN. Certainly it would be the issue that he has violated this provision, but the real intention is to try him on an entirely different offense. Is that true?
>
> Mr. ALVORD. That is true. As I see this thing, the real purpose of it is to try him for some other offense. If he has really committed a serious offense against the customs or the immigration, he should be tried for that, and if he has not he ought not to be tried for this, I would say.
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> Mr. MILLIGAN. The real intention in arresting him is to investigate.
>
> Mr. ALVORD. That is it.
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> Mr. MILLIGAN. Is there any other law with a similar section in it?
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> Mr. ALVORD. I do not know of any; no, sir. We had to scratch our head to concoct a means of getting ample power there. I think this does it.

The disorder now in this Chamber represents the difficulty a Member has when he attempts to discuss any question even remotely involving prohibition. It is difficult for Members otherwise fair to be courteous in their attention if they espouse the prohibition cause. I regret it; but in this instance I am talking to you about the legal rights of citizens, American citizens. Under this bill an American citizen who steps one foot into his own country other than at a point of entry is forever branded as a criminal. He may have no goods or merchandise on him, not even a suitcase, yet because he did not enter his own country at a point of entry, probably 100 miles distant, he is arrested, locked up, and becomes a criminal. The patrolman has no discretion in the matter. The act itself, however innocent, constitutes the crime, with no defense. Is that American law?

No one would suggest such a provision in connection with any law other than the sanctified prohibition law.

It is the method that was used for years in Russia and other countries. The ability to arrest on some pretext and then determine if some crime had been committed—Soviet Russia does it to-day. By this bill we go Soviet Russia one better. They may amend the original bill in reference to small boats and as to people who live near the border or own property there. The President is going to issue permits to them to pass and repass at will. But millions do not live near the border or own property there who occasionally cross the border and will be subject to arrest. The permit—the registration system—is with us at last, the registration of American citizens. That is the old Russian system. Anyone who has not a card can be locked up overnight, and even if he later proves his innocent intentions he is still just as much a criminal as ever. He is made a criminal the moment he steps over the border, innocently or otherwise.

I can not see how anybody, even those favoring prohibition, can go that far. I believe it is the most outrageous step in violation of American jurisprudence that has ever been taken in our history. [Applause.]

Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, it has always been my strict rule throughout life never to make a misstatement intentionally, and to correct immediately one made by me when I detect it. I particularly regret a misstatement when it does not correctly report the statements or record of an individual.

I hasten to correct an error made by me in the CONGRESSIONAL RECORD of June 25, 1930. I said that it was Dr. Clarence True Wilson who advocated "calling out the Marines" to patrol the border on prohibition and establish martial law. I referred to his article in Collier's Weekly of July 13, 1929.

I tried hard to get this article before I prepared my manuscript for the CONGRESSIONAL RECORD, but the Congressional Library informed me the copy in question of Collier's Weekly had been sent to the bindery. I asked them to get it, and later they did, after my statement was in the RECORD.

I find that Dr. Clarence True Wilson declared for martial law and the "calling out of the marines," but he wanted them to punish the States of New York and Maryland, which he declared were "in rebellion" because they had voted against a State prohibition law. I did him no injustice in advocating thus the abrogation of the "bill of rights" of the United States Constitution in those States, and the abrogation of the writ of habeas corpus and installing trials by court-martial instead of the courts of land.

He also advocated that first offenders be given a very severe sentence and the buyer of liquor be savagely punished. So I did no damage in setting him forth as a fanatic; but it is true that he just did not happen to think of the Detroit border in his outbreak or he undoubtedly would have thrown the Detroit border in with New York and Maryland. I recall that some Anti-Saloon League advocate urged martial law on the Detroit border, but I can not remember his name nor the occasion.

Mr. Speaker, ladies, and gentlemen, I do not like to trespass upon the time and attention of the House unless I am quite informed on the question at issue. For four years I enforced, as secretary to the Assistant Secretary of Commerce, the navigation laws of the United States in the Department of Commerce, and a normal day's business was about 100 violations of the Federal navigation laws; and for five and a half years I was the United States customs appraiser of Michigan on the border, handling the customs laws; and for two years during the Great War I was manager of the United States War Trade Board for that portion of the border and for several States.

So I do know navigation and customs laws as an expert. I do know about these barriers, wise and unwise, that are placed upon the border for the regulation of persons and merchandise in border traffic. I say to you that this bill that is now before you is one of the most sensational and vicious bills that has been placed before you during this Congress, and one of the most important.

This bill does the unheard-of thing of breaking the relations with our northern neighbor, Canada, that have existed for 116 years, or since 1814. It closes the border against Canada, and it does the same thing for our great neighbor on the south, Mexico; the relations existing since 1847 or 1848.

The gentleman from New York [Mr. O'CONNOR] has discussed the question on the St. Lawrence River, Niagara River, and Lakes Erie and Ontario, and on the northern land border of about 75 miles in New York; and I may say to you that there are the makings of a red-hot political situation in New York if you put this bill on New York with that State so close in elections. Many New Yorkers will bitterly resent this measure if enacted into law.

The same serious restrictions will exist on the entire 1,500 miles of the Texas border, which is on the Rio Grande. The leader on the other side, the very estimable gentleman from Texas [Mr. GARNER], whom I admire, has about 560 miles of that border in his district.

They have whispered around that I am satisfied with the amendment that will be offered to protect small boats, which are now protected under present law by the navigation law of 1912, R. S. 4218, and two sections of the recent tariff law. The two Committees of the House and Senate, Ways and Means and Finance, carefully considered these two sections. So did the House and Senate for 18 months. The President signed this tariff bill the other day, and we all found these two small boat sections to be wise laws. I do not think there was anybody on the House Interstate and Foreign Commerce or on the Rules Committee who understood that this Hudson bill endangered these three aforesaid laws.

The gentleman from New York [Mr. O'CONNOR] demonstrated, in part, there is no necessity for this legislation. Undersecretary of the Treasury Ogden Mills was liberal enough to say before the House Interstate and Foreign Commerce Committee that we are spending $37,000,000 per year to catch the 3 or 4 per cent of the liquor coming in over the Pacific, Atlantic, Canadian, and Mexican borders and $15,000,000 per year to catch the 95 per cent of liquor manufactured in the United States; but since that testimony Canada has placed a strict embargo on the exportation of liquor to the United States, and the Canadian border agents and their Northwest Mounted Police are far more honest and efficient than our border agents. The Canadian Minister of Marine said formerly Canada was exporting 2 per cent of the American supply. I say now it is less than one-half of 1 per cent.

So at this time, when we are talking about the desperate condition of the Budget and an increase of Federal taxes, and when we can not afford appropriating any more money, you are asking for $4,241,799 more per year for greedy prohibition. You ask at the first crack an increase of $5,697,679 for the first two years of this new border bill. You are already spending $52,000,000 per year for prohibition enforcement. Here you are pouring $4,000,000 more annually after two years into this sewer to catch one-half of 1 per cent of the liquor imported into the United States!

This is a prohibition bill. It is an Anti-Saloon League bill. That is the driving force behind it. This bill is mean. It even makes the innocent passage of children across any part of this land border a crime unless they go a long distance, in most cases, and report the innocent transaction to a border or customs agent. Formerly they never had to do this. That is the vicious bill you have before you now. Mr. Wickersham admitted the other day that the trouble is we are making too many new crimes and too many excessive punishments.

When we opened the international bridge in Detroit several months ago and the bridge at Buffalo some time before that, all the orators, Canadian and American statesmen, felicitated the two nations that we have lived in peace and amity for 116 years and that we passed back and forth practically the same as American people between two American States.

Now, here in this measure you have outraged this good neighbor. You have already made them angry by the tariff bill, and they are threatening to cut down our exports, which have been $900,000,000 a year, by one-third, or $300,000,000 a year. Now you rub them the wrong way by this bill. You give them a slap in the face.

Fortunately some wise Senators say that this bill will get a full and fair hearing in the Senate, and they will learn just what the bill means. That will be a godsend.

What are these all-important regulations proposed by the Treasury Department to take the place of the "good old days"?

LAWS AND REGULATIONS

I have no doubt that the Anti-Saloon League has enough power to put it through the House. But there is a great chain of newspapers which is going to show up this vicious measure before the Senate acts next December. The people will be advised quite fully.

I am now going into the question of the land border. Later I will take up the water-border discussion.

Jackman, Me., town is on the border, partly in Canada and partly in United States, as is Denby Line, Vt., Nogales, Ariz., and also three towns in Minnesota, so that if children cross the street, automatically by this bill they become criminals. If a child crosses the border chasing a dog or going after the cattle he automatically becomes a criminal. That has never been a crime in the past.

There is a house up in New England where the wife's bedroom is in Canada and the husband's bedroom is in the United States.

There are many houses and farms that lie on the border line. There are stores lying in both countries. There are houses where the kitchen is in one country and the other part of the house in the other country. The man who pursues his ordinary vocation about such farm would violate this law. The only remedy is for them to register, to undergo a police quiz and get permits or passports.

Now, the sponsors of this bill say that it does not mean compulsory or voluntary registration. They know that is odious to the American people, who immediately think of Russian terrorism. We have seen how it works in Russia, where secret police swarm, and everybody is checked and double checked. The American Federation of Labor, in its convention in 1925, through that great leader, Sam Gompers, said in resolutions that it opposed alien registration because it would eventually mean American registration. You never could force alien registration through Congress, but now you force far worse.

Now you are providing for compulsory registration, for all citizens on the line or border. These fellows up in the Treasury Department know that it will be utterly impossible to enforce this measure to any degree. But they are merely being forced to recommend another bad prohibition law. Why, up at Jackman Me., father will have to take the little kiddies in his wagon or auto and travel way back a hundred miles and say to the new Federal force: "We are not criminals, we want to register; give us a permit or a passport," for that is what it is. The distance between Jackman, Me., and the next point of entry is 195 miles. Think of it.

The SPEAKER. The time of the gentleman has expired.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. CLANCY. Yes.

Mr. O'CONNOR of New York. Under the bill only people residing near the border can get a permit.

Mr. CLANCY. Yes; I am glad the gentleman made that point. The person living away from the border is out in the cold. This law operates very harshly on him.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR of New York. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker and gentlemen, the rule before us is fair. It will give the House a chance to consider the bill that it makes in order under the 5-minute rule. Therefore I am not opposed to its being adopted, but the bill that it makes in order is vicious.

For the purpose of efficiency and economy I have advocated for years the unification of many of our bureaus. The prohibition gentlemen who are advocating this bill did not appeal to the Immigration Committee, which is familiar with the conditions of immigration, nor did they appeal to the Committee on the Judiciary, which is familiar with the laws relating to prohibition. They ignored both of these committees that are familiar with conditions and turned to the Committee on Interstate and Foreign Commerce, which to my mind has had very little experience with or knowledge of conditions on our borders.

I think it is unfair and unjustified that a committee should assume jurisdiction in this matter when the subject is being considered by committees having jurisdiction and knowledge of the subject matter. Surely no one will question the fact that the Immigration Committee is a working committee, or that it is efficient, or that it does try to prevent smuggling over the borders.

The Immigration Committee is so restrictive in its efforts and actions that surely the House does not need to fear that it will not do its full duty to protect the country from any bootlegging over the Canadian or Mexican borders. I believe that that committee, if it had been given time, would have brought in a bill that would be fair and just; a bill which would not be as vicious as this bill.

Let me call your attention to section 4 of the bill. It provides that it shall be unlawful for any person to enter the United States from a foreign country at any place other than a point of entry which shall be designated by the President. There are thousands of miles of our border. The President is going to designate the points of entry, and if, by any chance, an automobile or a traveler or an airplane should come into the United States across the border outside of the designated spot they will be guilty, under the bill, of a misdemeanor and subject to fine and imprisonment. It is manifestly unfair and unjustifiable.

Let us read section 5 and see the intent of the gentlemen who are behind this legislation. Section 5 provides that there are authorized to be appropriated such amounts as may be necessary to carry out the provisions of the act and for the establishment and maintenance of points of entry designated under the act. Under that provision millions of dollars will be appropriated trying to enforce the prohibition law, which can not be enforced.

I feel that people are sick and tired of being forced to pay these tremendous expenditures and the ever-increasing taxes due to prohibition. Let us repeal that law and reduce the burden.

The SPEAKER. The time of the gentleman has expired.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Speaker, I am one of those Members of the House who believe in nondiscriminating restrictive immigration laws and the protective tariff in order to protect industry and labor of America from unfair competition with cheaply produced foreign products, be they liquor or any other product. I believe this bill is a step in the right direction to assist in the relief of the unemployment situation. This bill when enacted will materially assist in keeping out aliens who each day are being bootlegged into the country. Just last week I received a letter from an alien who asked me to go to the Commissioner of Immigration to stay his deportation warrant until such time as he and his family had an opportunity to earn sufficient wages to pay the transportation charges to his native land. He admitted that his family, consisting of himself, wife, and 18-year-old daughter, had recently entered this country in violation of the immigration laws, and stated in his letter that a few months more in this country would enable him to pay the transportation, as he was employed in these days of unemployment, as well as his wife and 18-year-old child. The border patrol as provided in the pending bill will greatly assist in effectively enforcing the immigration laws, prevent the bootlegging of aliens, and thereby prevent our American citizens and aliens legally in our country from walking the streets unemployed while aliens who enter in violation of law are employed.

Mr. SCHNEIDER. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. SCHNEIDER. It appears that this bill transfers the present border patrol that has for its purpose the exclusion of aliens to the exclusion of the importation of liquor. Therefore, the efficiency of keeping the immigrants out at the present time will be diverted to another purpose, which will permit the alien to come in.

Mr. SCHAFER of Wisconsin. I do not agree with my colleague. He is clearly laboring under a misapprehension. You could, under the same premises, reach a conclusion that the passage of this bill will transfer some of the activities in enforcing the prohibition and customs laws to enforcing the immigration laws. When you have three independent agencies having jurisdiction over three different laws—the customs laws, the immigration laws, and the prohibition laws—with a certain number of personnel, you are going to be able to more efficiently enforce all of the laws if the agencies are consolidated and the personnel enforces the three laws and not one particular law, be it prohibition, immigration, or customs. As far as prohibition is concerned I yield to no man, from Wisconsin or any other State, in my opposition thereto. However, if it comes to the question of consuming liquor illegally in this country, I want to state that as between the liquor manufactured from the American farmers' grain by Americans and that manufactured from the grain of foreign farmers by aliens without the United States, I will gladly take my position in favor of the American farmer and producer.

The pending bill is in the interest of labor, is in the interest of the farmer, and in the interest of economy, and I sincerely hope that some of my good friends who are opposed to the sumptuary prohibition laws will discontinue their attempt to misrepresent it. If you honestly approach the bill from the prohibition standpoint alone, I ask you to stand by the American industry as against the Canadian and other foreign bootleggers handling wet goods produced from grain grown by farmers in foreign lands. [Applause.]

Mr. DICKSTEIN. In other words, to protect your district from foreign competition.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. HOCH].

The SPEAKER. The gentleman from Kansas is recognized.

Mr. HOCH. Mr. Speaker, I do not intend to discuss all these matters at this time. They will be fully discussed and considered in the general debate on the bill.

I simply want to make reference to one or two things that have just been mentioned in the debate. The gentleman from New York [Mr. O'CONNOR] seemed to be disturbed at the idea of putting a uniformed and armed force on the Canadian border. Evidently the gentleman does not already know it, but I can

assure him that we have had just such a patrol ever since 1924. The immigration patrol men are uniformed and armed, and those in the Customs Service are uniformed and armed, and this bill proposes no change whatever in that situation.

Mr. O'CONNOR of New York. The first objection that was set up against the organization of the Coast Guard was that it should be kept out of the Army.

Mr. HOCH. The gentleman, if he is discussing the Coast Guard proposition, is discussing something that is not in the bill. The gentleman indicated plainly that we were establishing for the first time a uniformed and armed service along the two borders. These services will be no more armed and no more uniformed than are the present services. Both of them are now uniformed and armed. They are under civil service. It is true that we shall have a few more men in uniform, but they will be no different in character, and more are needed to enforce the laws of this country.

Mr. O'CONNOR of New York. Is it not true that for the first time you have what is called patrolmen?

Mr. HOCH. No; that is not true.

Mr. O'CONNOR of New York. The purpose of this bill, according to the hearings, is to put them all in uniform.

Mr. HOCH. We have patrolmen now in uniformed service. They are patrolmen, so named in the law and in the administration of the law.

Mr. O'CONNOR of New York. The customs patrol is an armed patrol, is it?

Mr. HOCH. It is. If the gentleman is alarmed by calling them patrolmen, he can get all the satisfaction out of that that he wants, but it will be in no particular different from the service at the present time.

Mr. SNELL. Mr. Speaker, will the gentleman yield there?

Mr. HOCH. Yes.

Mr. SNELL. I understand that the Customs Service and the Immigration Service are now exactly as they will be under this bill?

Mr. HOCH. Yes. As far as the administrative officers are concerned. They will be in the same service as they are now. The patrolmen now in the Customs Service and in the Immigration Service will simply be transferred to this one unified patrol, and the patrolmen will not be concerned under this bill primarily with customs and immigration matters, or any other laws, but they will patrol the border and if they find a person coming unlawfully over the border they will intercept him.

Mr. SNELL. Is it going to make it more difficult for people to go between the United States and Canada?

Mr. HOCH. No.

The gentleman from Chicago [Mr. SABATH] also was alarmed about something. What was the cause of his alarm? He said that if a man came across the border under this bill in an automobile at other than a point of entry he would be subject to arrest.

Mr. SNELL. If a man comes across the border, he must come through a customs port of entry?

Mr. HOCH. At a point of entry, with certain exceptions, as will be explained during the debate.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. MICHENER. Mr. Speaker, I yield to the gentleman five additional minutes.

The SPEAKER. The gentleman from Kansas is recognized for five minutes more.

Mr. HOCH. If he comes across in an automobile, even though an American citizen, he must, under the present law, report at a customs port. In many cases the customs port is several miles back of the border. In one case, in Montana, it is many miles back of the border. Instead of adding to the inconvenience of the people coming across the border under these circumstances it will add to their convenience, because the present tentative proposals contemplate having 325 points of entry instead of 150, or 175 more, along the Canadian border. Under the new law the person who comes across the border will not be subject to the inconvenience of going many miles to report at a customs port.

Mr. O'CONNOR of New York. A man can come over on foot without baggage now, but under this law he can not come over on foot without baggage?

Mr. HOCH. The gentleman has now abandoned the automobile proposition?

Mr. O'CONNOR of New York. Oh, I never claimed that.

Mr. HOCH. Now, under the present law, the only American citizen who is not required to report at the customs port is the man on foot who brings no merchandise of any sort with him. The Customs Service inform me that, technically, if a man brings two soiled handkerchiefs in his pocket he is a violator of the law unless he reports at the customs port of entry.

Mr. O'CONNOR of New York. Well, under the new law——

Mr. HOCH. The gentleman from Michigan [Mr. CLANCY] spoke with reference to the boats——

Mr. O'CONNOR of New York. Why does the gentleman not keep to the man on foot before he goes to the boats?

Mr. HOCH. In order that there may be no uncertainty, we intend to offer an amendment to make perfectly clear what was all the time the purpose of the language so that the status of one who comes across in a small boat, defined in the tariff act as a boat of 5 net tons and less, will not be changed in any particular by this bill.

Mr. O'CONNOR of New York. Why does the gentleman not say that the man who comes across on foot, even without two soiled handkerchiefs, under this bill is guilty of a crime? Isn't that the fact?

Mr. HOCH. No; except with qualifications, it is not the fact.

Mr. O'CONNOR of New York. Will the gentleman answer that question? I have asked the gentleman three times. In the Committee on Rules the gentleman said it was, and everybody understood it. Everybody understood that under this bill if a man walked across the border with nothing, he commits a crime.

Mr. HOCH. If the gentleman will give me a chance, I will answer his question. If the gentleman will refer to the provision on page 7, paragraph 4, subsection 1, he will find there is an intention there to provide, under the regulations, that those who live near the border or who own property do not have to report.

Mr. O'CONNOR of New York. I do not live near the border. I do not own property. Suppose I am up in Canada hunting and I step across the boundry with nothing, am I not guilty of a crime, ipso facto?

Mr. HOCH. Yes; technically, but only under circumstances which will be fully explained.

Mr. O'CONNOR of New York. Now, the gentleman has answered the question.

Mr. HOCH. Under the present law the gentleman is guilty of a crime if he comes across with a couple of soiled handkerchiefs, unless he reports to customs.

Mr. O'CONNOR of New York. But suppose I have not got them?

Mr. STAFFORD. Suppose he has only a soiled shirt?

Mr. CLANCY. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. CLANCY. I agree with the gentleman that the law now is that automobiles and aircraft must report. But men, women, and children, millions and millions, using the border need not report. The pedestrian and small-boat owner need not report if not getting merchandise abroad. The gentleman does not need to mention any technicalities about soiled handkerchiefs.

Mr. HOCH. Is it not true that if they bring in merchandise of any sort they must report?

Mr. CLANCY. If they purchase merchandise abroad; yes.

Mr. HOCH. No. The law does not provide that they shall purchase the merchandise abroad.

Mr. CLANCY. Purchase or obtain it. If they catch fish abroad they should report it, but nobody enforces that technicality.

Mr. HOCH. No matter how far away the customs port is, they must go there and report.

Mr. CLANCY. Now the gentleman brings up the question of small boats. The gentleman says the letter he has received from Secretary Mellon answers my objection. I fear that is not true.

Mr. HOCH. The gentleman does not mean to question my statement about it?

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. MICHENER. I yield to the gentleman from Kansas five additional minutes.

Mr. CLANCY. There is some apparently slippery language in the letter possibly not placed there intentionally, but I will tell the gentleman what the crux of that is. I fear "weasel words" and I will ask for a full interpretation.

Mr. HOCH. I think I know what the crux of the proposition is.

Mr. CLANCY. If the gentleman does, then the gentleman is not telling me the full truth when he says that motor boats are fully exempted under that language. I fear a joker in that language. I think a technicality is being made. The navigation law of 1912 that I am referring to and the two tariff laws of 1922 and of 1930, which now protect hundreds of thousands of boys and girls who use canoes along that border and the Rio Grande, are possibly not repealed by the border patrol act, using severe language, but I fear they will be evaded.

Mr. HOCH. Does the gentleman say they are or are not?

Mr. CLANCY. Possibly are not. This border patrol act sidesteps and knocks over the aforesaid laws somewhat. I am most anxious to get your views and that of the Treasury Department on that.

Mr. HOCH. I say positively it does not repeal those laws.

Mr. CLANCY. Well, I know what the intention is. I state my fears. The small-boat fellow will not be required to make a report to the customs, but they report to the new border patrol. The letter from Secretary Mellon, to which the gentleman has referred, mentions new docks and the new points of entry that are to be established on the water. The other report you have says there will be none in the Great Lakes district. Now, speaking accurately, possibly the new bill does not repeal the navigation and customs laws. They will not have to report to the customs, but they will report to a new body of police. It is easy to see what they are attempting to do. The letter speaks of refusing rights to cross the border to boats violating the laws. They are attempting to catch the one-tenth of 1 per cent, 50 out of 50,000 small boats which are rum runners, and I still fear a system of permits and registration. I will ask you to clear that up.

Mr. HOCH. I hope the gentleman will conclude his statement. I do not wish to take more time of the House to-night.

Mr. SHREVE. I have been home for a week and have been up on the Lakes on what we call a booster's trip. Every year for 10 years the Erie Chamber of Commerce has been going to some Canadian port. This year we went to Midlands on one of the largest ships on the lake. We landed and spent the whole day there. The people entertained us royally and I met the next Premier of Canada. Before we get through with this discussion I may tell you what he said to me. But I want to know this: Is there anything in this bill which will prevent us from having another excursion next year to some Canadian port?

Mr. HOCH. Nothing in the least.

Mr. O'CONNOR of New York. It will depend on the size of your boat.

Mr. HOCH. Not at all. The bill does not provide anything of the sort.

Mr. SHREVE. We landed without any examination on the part of anybody. We went back to the boat at night and again we were not examined nor disturbed in any way whatever. When we got to Mackinac the next day, customs officers went through to see if everything was legal on the boat, but it is very important to me to know before I favor this legislation whether our very joyful excursions up the Lakes are going to be interfered with.

Mr. HOCH. Not at all. I will read to the gentleman a statement made in a recent letter from the Treasury Department on that proposition:

> There is nothing in the bill which affects in the slightest the duty under existing law, or the exemption from the duty, to make formal entry or to make a formal report of a vessel arriving from a foreign country.

Mr. O'CONNOR of New York. That does not answer the question. All the gentleman is saying now is that if he was not liable before there is no change, but under this bill the law will be tightened up so that the strict letter of the navigation laws will be carried out.

Mr. HOCH. Under the present law any boat of 15 tons or over must make both a formal entry and report on arrival. We do not interfere with that in the slightest. A boat of 15 tons or less which under the law is not permitted to carry merchandise or passengers for hire is not, under the present law, compelled to make a formal entry, but is required under the present law within 24 hours to make a report of arrival. We do not change that in the slightest degree. Under the present law a boat of 5 net tons or under must report if it brings in merchandise, but if a boat of 5 tons and less does not bring in any merchandise it does not have to make a report or formal entry. We do not intend to change that in any degree.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. MICHENER. Mr. Speaker, it is clear there is some argument with reference to this bill. The rule provides ample time for discussion, and the bill will then be read under the 5-minute rule for amendment. I therefore move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. STEVENSON, for one week, on account of illness in family.

To Mr. REECE, on account of important business.

To Mr. VINSON of Georgia, indefinitely, on account of important business.

CONFERENCE REPORT—BOISE NATIONAL FOREST

Mr. COLTON. Mr. Speaker, I present a conference report on the bill (H. R. 4189) to add certain lands to the Boise National Forest.

The SPEAKER. Ordered printed.

CONFERENCE REPORT—COLONIAL NATIONAL MONUMENT IN THE STATE OF VIRGINIA

Mr. COLTON. Mr. Speaker, I present a conference report on the bill (H. R. 12235) to provide for the creation of the Colonial National Monument in the State of Virginia, and for other purposes.

The SPEAKER. Ordered printed.

FEDERAL AID TO OTHER GROUPS BESIDES FARMERS

Mr. SELVIG. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SELVIG. Mr. Speaker and Members of the House, much has been said about the aid the Federal Government has given and is giving to agriculture through the use of Federal funds or Federal resources. There is less known about what the Federal Government has done and is doing for other groups besides farmers.

Particularly since the recent attack on the Federal Farm Board made by the United States Chamber of Commerce has governmental assistance to agriculture been given widespread publicity.

The attack on the Federal Farm Board made by the chamber of commerce crystallized in a resolution on agricultural marketing which was adopted on May 1, 1930, at its eighteenth annual meeting held here in Washington.

I shall not digress to picture the dramatic scene when Chairman Legge of the Federal Farm Board, Secretary of Agriculture Arthur M. Hyde, the president of the Land O'Lakes Cooperative, John Brandt, of Minnesota, and others spoke in behalf of the organized farmers of the United States.

I was present at this epochal meeting. The scene will not soon be forgotten. I was proud of the spokesmen for agriculture. They rendered the producers on our farms a great service on that occasion.

Mr. Alexander Legge, chairman of the Federal Farm Board, who was the first speaker, pointed out that the marketing act committed the country to the principle of cooperative marketing. Mr. Legge added that—

> There has been considerable evidence the past several months that entirely too many of your members (referring to the United States Chamber of Commerce) were for the principle of cooperation so long as it did not work.
>
> I do not recall in years gone by of hearing you men making any such complaint against Government aid that was extended to the manufacturing industry, to transportation, and to finance. All these played their part in adding to the disadvantages of the farmer.

The opponents of the Federal Farm Board, however, had their way when the resolutions were adopted. In order that the exact language of the considered judgment of the United States Chamber of Commerce may be known, I will quote two paragraphs of the section dealing with cooperative marketing. You will note that the criticism is directed against the use of Federal funds for the benefit of agriculture.

> The legislation which was enacted in June, 1929, was in contravention of the chamber's proposals in its provision of new credit facilities in the form of large sums of money from the Public Treasury to be used under the act as the Farm Board might decide. During the business crisis of some magnitude which has occurred during the last six months these funds have been brought into use in various ways.
>
> We accordingly express our continued opposition to the use of Government funds in providing capital for the operation of agricultural cooperatives, and for the buying and selling of commodities for the purpose of attempted stabilization. We condemn as a permanent policy of government the employment of public funds for the purpose of participation in business in competition with established agencies and support the proposal for an amendment of the agricultural marketing act to repeal the authority of the Federal Farm Board to use Federal funds for such a purpose.

The attack made by the United States Chamber of Commerce was in direct conflict with its previously recorded referendum vote on the solution of the farm problem.

The referendum and result of this vote is as follows:

Resolution favoring cooperative marketing—for, 2,808; against, 111.

Resolution urging creation of the Federal Farm Board—for, 2,538; against, 563.

Many members of the chamber, high in official standing, who were parties to framing and supporting the agricultural marketing act, are to-day the leaders and the driving force behind the campaign to repeal or to emasculate it.

They oppose the use of Federal funds to assist agriculture. If the whole $500,000,000 were lost in promoting greater production and cooperative gathering of farm products with marketing excluded, no one would ever say a word.

Billions have been given to railroad companies in the form of land grants and hundreds of millions have been loaned to them to operate their business without the slightest opposition. It was considered to be for the common welfare. Can it be that efforts to assist agriculture are to be placed in a different category?

One is led to believe that the United States Chamber of Commerce is not sincere in its advocacy of measures for the relief of our farmers. They rejected as heretical and unsound every idea that promised to go to the roots of the farm problem. The framers of the resolution condemning the Federal farm marketing act therefore had an impossible task to find a constructive substitute.

They have been able to think of nothing better than to call another farm conference.

The comments on this resolution made by the St. Paul Pioneer Press on May 2, 1930, are strictly to the point:

> At this stage of the game it is hardly in order to begin from the beginning with farm relief. Between 1921 and 1929 there were nothing but farm conferences of every stripe and form. The chamber itself had an excellent one. It came to the conclusion that cooperative marketing was the thing. But now the chamber discovers that the only kind of cooperative marketing it is willing to permit the farmers to do would be the brand which leaves all the previous agencies of marketing unaffected. How the chamber expects the farmers to do their own marketing and the private dealers also to do the same marketing is too much for comprehension.
>
> But the chamber can hardly expect to be taken seriously in its assault on the farm board when it has nothing better to offer in its place than another farm conference. The first positive farm relief that has materialized into action is based on the principle of cooperation among the farmers. They alone of all classes of producers have had nothing to say about disposing of their own products. Farm marketing is not done by farmers, but by specialized middlemen who exercise the real and crucial control. Now an attempt is being made to organize the farm-marketing system on a producer basis. That attempt is not going to be abandoned until Congress is ready to put something more direct, more thoroughgoing, more fundamental in its place, for example, the McNary-Haugen bill.

It is not my intention to-day to enter into a detailed discussion of the plans and performance of the Federal Farm Board. The board has been in existence less than a year. It is yet too early to know definitely what the board may be able to accomplish. In passing, I may state that nothing has transpired to change my opinion regarding the Federal farm marketing act which I fully set forth on the floor of the House of Representatives April 20, 1929, when the bill was under consideration.

What I desire to do is to call to the attention of the country facts regarding governmental aid that has been given to other groups. The subject will be divided as follows:

First. Federal aid for the railroads.
Second. Federal aid for waterways transportation.
Third. Federal aid for mail subsidies to American ships.
Fourth. Federal aid for the banking interests.

FEDERAL AID FOR THE RAILROADS

Approximately 280,000,000 acres of public lands were donated to the railroads by Congress in 83 legislative acts passed in the period, September 20, 1850 to March 3, 1871. Some of this land was donated by the Federal Government to the States that in turn gave it to the railroads, but the majority of it was given to the railroads directly. These grants of land were given for the purpose of helping private railroad companies to construct and maintain railroad lines.

Bonds were issued by the Federal Government to various specified railroad systems in amounts which were virtually sufficient to underwrite and finance the construction of these railroads. The railroads were obligated, of course, to repay the money to the Government. The distribution of these bonds to the railroads was on the basis of $16,000 worth of bonds per mile of railroad constructed between the Missouri River and the eastern base of the Rocky Mountains and between the Pacific Ocean and the western base of the Sierra Nevada Mountains and from $32,000 to $48,000 worth of bonds per mile between the western base of the Sierra Nevada Mountains and the eastern base of the Rocky Mountains.

RECENT LEGISLATION

In the transportation act of 1920 Congress authorized an equalization-fee plan for the railroad industry. An equalization fund was authorized to be built up by exacting equalization charges from railroads receiving excess returns and this equalization fund was to be used for loans at less than market interest to railroads suffering losses through earning less than the fair return prescribed by the Interstate Commerce Commission.

Federal control of the railroads cost the Federal Government approximately $2,000,000,000.

Those who now criticize the policies laid down by Congress for the guidance of the Farm Board have short memories when they fail to recall what Uncle Sam has done for the railroads. I have barely scratched the surface in making these observations. Volumes have been written recounting in detail the specific grants of land and moneys to build up our transportation systems and, incidentally, to build up a great many millionaires' fortunes. Those who oppose Federal aid for agriculture are reminded that agriculture is our Nation's greatest industry and that our self-interest demands that it be encouraged and strengthened in every way possible.

Another group has benefited greatly by Federal aid. I refer to the vast sums expended for waterways transportation.

FEDERAL AID FOR WATERWAY TRANSPORTATION

The Federal Government donated 4,597,668 acres of land to the States of Indiana, Ohio, Illinois, Wisconsin, Michigan between March 2, 1827, and July 3, 1866, for the purpose of encouraging the building of canals.

A total of 2,245,252 acres of land was granted by the Federal Government to the States of Alabama, Wisconsin, and Iowa between May 23, 1828, and July 12, 1862, for the improvement of rivers.

The Federal Government has expended a total of approximately $1,290,000,000 for the development and improvement of rivers and harbors in the United States up to and including the fiscal year ending June 30, 1929. This work, done at the expense of the Federal Treasury, has been of enormous benefit to the private shipping interests.

The Federal Government has also expended a total of $210,000,000 for flood control up to and including the fiscal year ending June 30, 1929. This work, paid for by the Federal Treasury, has also been a distinct benefit to American business interests in the localities affected.

A total of approximately 400,000 acres of public land was given to the State of Alabama by the act of May 23, 1828, for the development of the Tennessee River at Muscle Shoals and other localities.

The Federal Government up to December 31, 1829, had subscribed to canal stock in various companies in amounts which totaled $1,263,315.65. The Government took stock in the Chesapeake & Delaware Canal Co. in 1825, the Louisville & Portland Canal Co. in 1826, the Dismal Swamp Co. in 1826, and the Chesapeake & Ohio Canal Co. in 1828.

Up to the present time the Federal Government has purchased with Federal funds a total of $15,000,000 worth of stock in the Inland Waterway Corporation for the development of barge lines on the Mississippi River and the Warrior River.

There has been a feeble outcry against the Federal Government's participation in this development. I am not criticizing the policy of the Federal Government in this regard. Far from it. I am merely pointing out that it has become almost a habit on the part of Uncle Sam to make huge financial grants for these purposes.

If this is beneficial to the country at large, which no one will deny, then, by all that is right and fair and just, agriculture's claims ought to be given sympathetic consideration. The vast and powerful group of the organized business and wealth of the Nation should get behind a program to give agriculture a place in the sun.

Perhaps no group has received more handsome treatment from the Federal Government than has the American merchant marine. Let us look into this phase next.

FEDERAL AID FOR AN AMERICAN MERCHANT MARINE

The private shipping interests interested in coastwise shipping and oceanic shipping have been aided by the Federal Government through numerous legislative acts. Among those providing financial assistance the following are cited:

Ever since the act of Congress of March 1, 1817 (R. S. 4347) ships flying the American flag have been given an exclusive monopoly of the coastwise trade. For many years prior to that date they had enjoyed a virtual monopoly by reason of the taxes exacted on ships flying foreign flags. This single legislative enactment has been of enormous financial advantage to American shipyards and to American shipping. The coastwise

trade of the United States includes not only the trade along the coasts of continental United States but also between these regions and Alaska, Hawaii, and Porto Rico and it is estimated that the freight tonnage carried in this trade exceeds the total freight carried by all the ships combined of any other single country excepting possibly Great Britain.

BILLIONS FOR SHIPS

During the 6-year period from September 7, 1916 to June 30, 1923, the Federal Government spent $3,491,928,650 in the construction and acquiring of merchant ships and otherwise developing an American merchant marine. This expenditure of Federal funds, it is estimated, exceeds all of the subsidies, subventions, and bounties combined of all the countries of the world during the 80-year period following the granting of the first subsidy to the Cunard Steamship Line.

It is significant to note that out of the 2,311 ships totaling 13,627,311 dead-weight tons which were completed up to May, 1922 with Federal funds, only 583 ships totaling 3,331,021 tons were completed prior to 1919. In other words most of the ships which were constructed with Federal funds were not completed until after the close of the war, the program of building continuing for several years following the war. After the close of the war, the cancellations of contracts for construction represented only a small percentage of the total amount of tonnage finally completed.

GOVERNMENT LOSSES RUN INTO MILLIONS

Since the construction of this fleet by the Government, a large number of ships have been disposed of for amounts which represent only a small proportion of the original cost. The 285 ships in the fleet of wooden vessels was disposed of at a price less than 3 per cent of their first cost, thereby entailing a loss to the Government of approximately $300,000,000. In the fiscal years ending June 30, 1922 and 1923, steel vessels were being disposed of at prices aggregating $35,250,000. It has been estimated that if the Shipping Board had sold all of the remaining steel fleet upon this scale of values, it would have brought only $270,000,000, excluding the ex-German steamers.

The Federal Government incurred a total loss of $14,434,000 during 1929 by Government operation of the merchant marine.

The development of the American merchant marine from a comparatively small tonnage to a large tonnage, the establishment of trade routes and shipping lines has been done under the announced intention of developing an American merchant marine which ultimately will be turned over to private ownership and operation. This purpose is now in the process of being fulfilled. With the exception of the emergency requirements of the war period these expenditures of Federal funds have been made primarily for the ultimate purpose of aiding in the development of an American merchant marine to be composed of private shipping owned and operated by private interests.

EMERGENCY FLEET CORPORATION

In 1916 Congress passed a shipping act which, among other things, authorized the Shipping Board to organize a corporation—the Emergency Fleet Corporation—to purchase, construct, charter, and maintain merchant vessels. The corporation was to have a capital stock of not to exceed $50,000,000, of which the Shipping Board was required to subscribe at least a majority of the stock out of Federal funds, and the sale of $50,000,000 in Panama Canal bonds was authorized to be sold to provide funds for this purpose. As a matter of fact, the Government has owned practically all of the stock of this corporation except a few shares to qualify directors.

LOANS TO PRIVATE SHIPPING INTERESTS

The merchant marine act of 1920 provided for a construction loan fund to be raised by an annual contribution of $25,000,000 for five years from the proceeds of sales and operations. This money was to be loaned to private shipping interests for the construction of ships and loans could be made up to two-thirds of the cost of construction.

Tax exemptions for a 10-year period was given to American shipowners under the transportation act of 1920, provided they invested in the construction of new ships not less than the amount of the exemption received.

Congress has granted free entry on all materials necessary for the construction, equipment, and repair of ships in American shipyards, in all tariff acts since 1894. Prior to that time free entry had been provided for the materials used in wooden ships in the act of June 6, 1872, and this was further extended to include certain steel materials in the act of February 8, 1875, and still further extended by the acts of 1890 and 1894.

MAIL SUBSIDIES

By an act of Congress, May 3, 1845, mail subsidies to ships of American construction were authorized in the form of liberal payments per letter and package rather than a mileage or route payment.

During the period 1847–1858, the Federal Government, it is estimated, paid a total of $14,400,000 in mail subsidies to American shipping interests, according to Meeker, History of Shipping Subsidies, on page 156. Among these payments was a 5-year contract between the Government and the Ocean Steam Navigation Co. for mail service between New York and Bremen and between New York and Havre, whereby the Government agreed to pay $100,000 per year for each ship making a round trip voyage every two months between New York and Bremen, and $75,000 per year for every ship making a round-trip voyage between New York and Havre. The steamship company in order to obtain these benefits agreed to build, within one year, four first-class steamships having a tonnage of at least 1,400 tons and with engines of at least 1,000 horsepower and capable of a greater speed than boats of the Cunard Line. Some modifications in this contract were made later.

THE E. K. COLLINS LINE CONTRACT

The E. K. Collins Line was given a contract by the Government for service between New York and Liverpool whereby this firm received from the Government a compensation of $19,250 for 20 round-trip voyages or a total of $385,000 per year. The company was required to put into service five steamers of not less than 2,000 tons each with engines of not less than 1,000 horsepower. Service started in 1850. In 1852, Great Britain increased the Cunard subvention to approximately $843,559 for 52 round trips per year, whereupon the United States increased its subsidy to the Collins Line to $853,000 for 26 voyages. In 1856 Congress reduced the subsidy to the Collins Line and in 1858 withdrew it entirely, paying only for the actual mail carried.

PACIFIC MAIL STEAMSHIP CO.

During the 10-year period, 1865 to 1874, the Pacific Mail Steamship Co. received a total of $4,583,333 in subsidies from the Federal Government for the maintenance of mail steamship service. By an act of Congress, February 17, 1865, it received an annual subvention of $500,000 in a 10-year contract for service between San Francisco and ports in China and Japan. It began operations in 1867. In 1872 it proposed another mail steamship line to China and Japan and received an additional subvention from the Government of $500,000 per year.

By an act of Congress, May 3, 1875, however, this subvention was repealed when it was discovered that it had been approved as a result of corruption and that the company had not carried out its agreement. By the act of May 28, 1864, Congress authorized an annual subsidy of $250,000 for the establishment of a monthly mail steamship service between Philadelphia and Rio de Janeiro for which the United States was to pay $150,000 and Brazil $100,000. This line was continued from 1865 to 1876.

The Government also negotiated a contract with the California, Oregon & Mexico Line for the operation of a Hawaiian service for which the Government was to pay $75,000 annually.

MORE MAIL CONTRACTS IN 1891

By the act of Congress, March 3, 1891, aid to the American Merchant Marine was authorized in the form of mail contracts whereby the compensation to the carriers was to be based on the type of construction, tonnage, and speed of the vessel on a basis ranging from 66⅔ cents per mile on Class IV vessels to $4 per mile on Class I vessels, provided the vessels (except Class IV) were built in American shipyards under the supervision of naval authorities and subject to requisition in time of war.

Under this act the Government has paid out a considerable amount of money to private shipping interests for carrying the mails, in excess of the cost of carrying the same amount of mail if it had been paid for on the basis of weight rather than the contract basis provided for under this act. According to the annual report of the Second Assistant Postmaster General in 1915, on page 25:

> The fiscal year of 1914 was the first year in the more than 20 years of service under the act of 1891 that the cost of the contract service was less than the conveying steamers would have received on the weight basis for conveying the same amount of mail.

By 1914, therefore, the subventions under the act of 1891 were practically eliminated by following the policy of restricting the carrying of the mails more and more to contract ships rather than to noncontract ships.

CONSTRUCTION LOAN FUND IN ACT OF 1928

The merchant marine act of 1928 authorized the increase by Federal appropriations of the construction loan fund of the Shipping Board from $125,000,000 to $250,000,000. Loans from this fund can be made to American citizens for the construction in American shipyards of vessels for American shipping lines. These loans can be made on a 20-year basis at a minimum rate

of interest of 5¼ per cent when such a vessel is operated exclusively in coastwise trade or is inactive and at the lowest Government rate of Government obligations when the vessel is operated in foreign trade. Such loans can be made up to three-fourths of the cost of the vessel.

MAIL CONTRACTS INCLUDED

This act also authorized the Postmaster General to certify to the Shipping Board what mail routes should be established and to enter into mail contracts not to exceed 10 years in length under specified compensation based on the speed and tonnage of the vessels and ranging from $1.50 per nautical mile for class 7 vessels to $12 per nautical mile for class 1 vessels or even higher compensation in the discretion of the Postmaster General for vessels of class 1 with a speed of more than 24 knots.

The approximate cost of carrying the mails for one year under the contracts awarded by the Government under the merchant marine act of 1928 is $13,018,220 as compared to a cost of $2,319,351 if the mails were carried on noncontract vessels on a weight basis. In other words, the Federal Government is subsidizing 25 steamship companies to the amount of $10,698,869 annually by means of mail contracts with these companies.

This extended summary clearly indicates what the policy of the Federal Government has been for more than 100 years. The specific laws and grants mentioned speak for themselves. It ill becomes those who have supported these measures to raise their voice against cooperation by the Federal Government in attempting to assist agriculture. The precedents for financial aid by the Federal Government to the groups financially interested in the shipping business are conclusive as to the Government's policy.

FEDERAL AID FOR THE BANKING INTERESTS

The Government has aided the banking interests of the country through its deposits of Federal funds in banking institutions. For the period 1837–1846 Federal funds were deposited chiefly in State and private banks. For the next 20 years a system of subtreasuries was maintained for the deposit of Federal funds. During the period 1864–1913, Federal funds were deposited principally in national banks which were private institutions recognized by law as Government agents.

Deposits of Federal funds in national banks are in reality loans of Federal funds, on which the banks pay interest and for which they furnish security. When the Federal reserve act was passed in 1913 there were 850 regular depositaries and 685 depositaries holding $76,000,000 of Federal funds. Upon the passage of the Federal reserve act most of the Government funds deposited in the 12 States in which the Federal reserve banks were located were transferred to the Federal reserve banks. During the war, however, the use of national banks and other banking institutions as depositaries by the Government greatly increased, so that by the middle of November, 1917, 1,903 national banks and 1,343 State banks and trust companies served as Federal depositaries. At the end of the fiscal year 1917 Federal funds were deposited as follows:

In Treasury offices	$107,662,956
In Federal reserve banks	300,671,632
In special depositaries	783,922,959
In regular depositaries	49,681,738
In Philippine treasury	2,081,409

With the final abolishment of the subtreasury system in 1920 the Federal deposits in Federal reserve banks were augmented.

FEDERAL RESERVE ACT

In 1913 Congress passed the Federal reserve act, which authorized an organization committee composed of the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency to organize a Federal reserve system comprised of 12 Federal reserve banks regionally constituted. The law required all national banks either to join the system or to relinquish their status as Federal fiscal agents and forfeit all rights given to national banks. If the subscription from national banks was not sufficient to organize the 12 Federal reserve banks, the organization committee was empowered to solicit public subscriptions, and if this did not bring sufficient funds the Government was authorized to buy as much stock as the organization committee determined was necessary. The national banks were required to subscribe for capital stock in the Federal reserve banks equal to 6 per cent of the paid-up capital stock and surplus of such national banks.

These Federal reserve banks, although organized by the Government, are really private institutions owned and operated by the member banks holding their capital stock. The Federal Government, after establishing the reserve banks, has exercised a regulatory function over their operations by means of a Federal Reserve Board, which is appointed by the President. The Government also maintains a voice in the management of the reserve banks by means of the provision in the law which requires that three of the nine directors of each reserve bank must be appointed by the Federal Reserve Board. The Federal Reserve Board also participates in the management of the system through its power to regulate the rediscount rate.

Thus the Federal Government has organized and helped to maintain by means of the deposit of Federal funds and the regulatory system of the Federal Reserve Board and the directors appointed by it a national banking system to stabilize and promote the banking industry in the United States.

When the cry is raised against the use of Federal funds for the benefit of our farmers, let the opponents explain away this record of Federal financial aid to railways, in behalf of waterways transportation, for mail subsidies to American ships, and for the vast banking interests.

AGRICULTURE DESERVES SQUARE DEAL

I believe the American people are willing to give a square deal to the farmers. It was the intent of Congress to give the American producer the benefit of the world price plus the tariff duty; otherwise why pass a Federal farm marketing act at all?

Instead of criticizing the Federal Farm Board, which has become the habit of many, all should join hands in giving it additional authority to accomplish what the farm organizations and the producers of the country demand. I believe such authority is necessary before there can be definite improvement in the prices received for surplus farm products.

The millions of our producers rejoice in having the issue placed squarely before the American people. Only in this way can a true solution be attained. Spokesmen for agriculture realize that the fight for farm equality must go on. No problem is settled until it is settled right.

The 5-minute speech made by National Master Louis J. Taber, of the National Grange, at the May 1, 1930, meeting of the United States Chamber of Commerce is so definite and expresses the issue so clearly that I wish to include it in my remarks:

I will not use the brief time allotted me to defend Chairman Legge, the Farm Board, or the Secretary of Agriculture, as they need no defense. However, as master of the National Grange, speaking for its almost 1,000,000 members, I must insist that business men on the farms shall be treated the same as business men in town. Prosperity can some only because of the teamwork and understanding, and not because some special class may enjoy legislative or unfair governmental assistance.

With all of the earnestness at my command I want to urge this great body not to pass the proposed resolution criticizing the Federal Farm Board and cooperative marketing. The National Grange has been on record for more than 60 years demanding equality for agriculture. During recent years we have sought to secure this equality by advocating the export-debenture program. I must remind you that your organization has given us no assistance in securing this type of legislation. On the other hand, your members have sought to defeat all farm-relief legislation advocated by organized agriculture. At the same time, you and your members favored the Federal marketing act, you would not allow us to have our kind of farm relief, so now don't desert your own child!

The National Grange tried to secure a better farm marketing bill. We wanted to strengthen it by including the export debenture; you helped defeat us. I want to say to Chairman Legge and to this group, the Grange does not sulk, but we do work and continue the good fight. We will support to the limit the marketing act. We ask others to do likewise, yet we serve notice we will never cease to fight for a square deal for the men and women who grow the food and fiber of mankind.

I was interested in the statement just made, that business asks no favors of Congress, and wants no special legislation in its behalf. "By their fruits ye shall know them," said a great prophet. I want to look this crowd in the face and say that for 15 months some of us have been compelled to leave our homes and our work and to stay in Washington, to help secure a square deal in the tariff. The representatives of agriculture have done their best but they have been overwhelmed by business interests. The business leaders before me have secured 2,000 amendments and increases in the pending tariff act, while the farmer received but 200. Yet the President called Congress not to enact a tariff in your interest but to pass an agricultural tariff. You secured 10 increases to our 1. If this is not asking Government favor and Government assistance, what is it?

There has been criticism of the Federal Farm Board loaning money to the farmer. It is stated this is unfair to business. Apparently some of you have not read the Jones-White shipping bill, advocated by the commercial interests of the Nation, which provides loans for shipbuilders of millions of dollars at 4 per cent or less. If this is fair for business, is it not fair for agriculture?

In the name of our basic producers, we demand that if business is to enjoy its Cummins-Esch law, the Federal reserve act, and its high-tariff rates; if labor is to have restricted immigration, then common justice demands equal opportunities for agriculture. Do not indicate by your

vote to-day as business men that the laws of our land and the protection of government shall be given to business, commerce, and labor, but that agriculture shall be left out in the cold. Do not indicate that the protecting folds of our flag do not reach the tillers of the soil.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that to-morrow, following the other special orders, I may be permitted to address the House for five minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent that to-morrow, following the other special orders, he may be permitted to address the House for five minutes. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on veterans' legislation.

The SPEAKER. Is there objection?

Mr. CONNERY. I object.

ENROLLED BILLS SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 396. An act for the relief of J. H. Muus;

H. R. 414. An act for the relief of Angelo Cerri;

H. R. 597. An act for the relief of M. L. Willis;

H. R. 609. An act authorizing the Secretary of the Treasury to pay certain moneys to James McCann;

H. R. 864. An act for the relief of W. P. Thompson;

H. R. 1174. An act for the relief of A. N. Worstell;

H. R. 1485. An act for the relief of Arthur H. Thiel;

H. R. 1509. An act for the relief of Maude L. Duborg;

H. R. 1510. An act for the relief of Thomas T. Grimsley;

H. R. 1739. An act for the relief of J. A. Miller;

H. R. 2021. An act to authorize the establishment of boundary lines for the March Field Military Reservation, Calif.;

H. R. 2166. An act for the relief of Mrs. W. M. Kittle;

H. R. 2167. An act for the relief of Sarah E. Edge;

H. R. 2810. An act for the relief of Katherine Anderson;

H. R. 3431. An act for the relief of Charles H. Young;

H. R. 6347. An act to amend section 101 of the Judicial Code, as amended (U. S. C., Supp. III, title 28, sec. 182);

H. R. 6718. An act for the relief of Michael J. Bauman;

H. R. 10461. An act authorizing Royce Kershaw, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Coosa River at or near Gilberts Ferry, about 8 miles southwest of Gadsden, in Etowah County, Ala.;

H. R. 11515. An act to provide for the sale of the Government building site located on the State line dividing West Point, Ga., and Lanett, Ala., and for the acquisition of new sites and construction of Government buildings thereon in such cities;

H. R. 12343. An act to authorize the Secretary of the Treasury to accept donations of sites for public buildings; and

H. J. Res. 14. Joint resolution to provide for the annual contribution of the United States toward the support of the Central Bureau of the International Map of the World on the Millionth Scale.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 525. An act authorizing the Secretary of the Navy, in his discretion, to loan to the Louisiana State Museum, of the city of New Orleans, La., the silver service in use on the cruiser *New Orleans;*

S. 1959. An act to authorize the creation of game sanctuaries or refuges within the Ocala National Forest in the State of Florida;

S. 3068. An act to amend section 355 of the Revised Statutes to permit the Attorney General to accept certificates of title in the purchase of land by the United States in certain cases;

S. 3422. An act to authorize the Tidewater Toll Properties (Inc.), its legal representatives and assigns, to construct, maintain, and operate a bridge across the Patuxent River, south of Burch, Calvert County, Md.;

S. 3623. An act for reimbursement of James R. Sheffield, formerly American ambassador to Mexico City;

S. 4164. An act authorizing the repayment of rents and royalties in excess of requirements made under leases executed in accordance with the general leasing act of February 25, 1920; and

S. J. Res. 24. Joint resolution for the payment of certain employees of the United States Government in the District of Columbia and employees of the District of Columbia for March 4, 1929.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 320. An act for the relief of Haskins & Sells;

H. R. 328. An act for the relief of Parke, Davis & Co;

H. R. 329. An act for the relief of Joseph A. McEvoy;

H. R. 396. An act for the relief of J. H. Muus;

H. R. 414. An act for the relief of Angelo Cerri;

H. R. 471. An act for the relief of Luther W. Guerin;

H. R. 597. An act for the relief of M. L. Willis;

H. R. 609. An act authorizing the Secretary of the Treasury to pay certain moneys to James McCann;

H. R. 655. An act for the relief of Guy E. Tuttle;

H. R. 704. An act to grant relief to those States which brought state-owned property into the Federal service in 1917;

H. R. 864. An act for the relief of W. P. Thompson;

H. R. 1058. An act for the relief of Jesse A. Frost;

H. R. 1076. An act for the relief of Jacob S. Steloff;

H. R. 1174. An act for the relief of A. N. Worstell;

H. R. 1485. An act for the relief of Arthur H. Thiel;

H. R. 1509. An act for the relief of Maude L. Duborg;

H. R. 1510. An act for the relief of Thomas T. Grimsley;

H. R. 1546. An act for the relief of Thomas Seltzer;

H. R. 1592. An act for the relief of William Meyer;

H. R. 1696. An act for the relief of Lieut. Timothy J. Mulcahy, Supply Corps, United States Navy;

H. R. 1712. An act for the relief of the heirs of Jacob Gussin;

H. R. 1717. An act for the relief of F. G. Baum;

H. R. 1724. An act for the relief of Margaret Lemley;

H. R. 1739. An act for the relief of J. A. Miller;

H. R. 1888. An act for the relief of Rose Lea Comstock;

H. R. 2021. An act to authorize the establishment of boundary lines for the March Field Military Reservation, Calif.;

H. R. 2166. An act for the relief of Mrs. W. M. Kittle;

H. R. 2167. An act for the relief of Sarah E. Edge;

H. R. 2464. An act for the relief of Paul A. Hodapp;

H. R. 2645. An act for the relief of Homer Elmer Cox;

H. R. 2755. An act to increase the efficiency of the Veterinary Corps of the Regular Army;

H. R. 2776. An act for the relief of Dr. Charles F. Dewitz;

H. R. 2810. An act for the relief of Katherine Anderson;

H. R. 3072. An act for the relief of Peterson-Colwell (Inc.);

H. R. 3222. An act for the relief of the State of Vermont;

H. R. 3431. An act for the relief of Charles H. Young;

H. R. 3441. An act for the relief of Meta S. Wilkinson;

H. R. 3732. An act for the relief of Fernando Montilla;

H. R. 5113. An act for the relief of Sylvester J. Easlick;

H. R. 5459. An act for the relief of Topa Topa Ranch Co., Glencoe Ranch Co., Arthur J. Koenigstein, and H. Fukasawa;

H. R. 5526. An act for the relief of Fred S. Thompson;

H. R. 5872. An act for the relief of Ray Wilson;

H. R. 5962. An act for the relief of R. E. Marshall;

H. R. 6209. An act for the relief of Dalton G. Miller;

H. R. 6210. An act to authorize an appropriation for the relief of Joseph K. Munhall;

H. R. 6243. An act for the relief of A. E. Bickley;

H. R. 6264. An act to authorize the Secretary of War to donate a bronze cannon to the town of Avon, Mass.;

H. R. 6268. An act for the relief of Thomas J. Parker;

H. R. 6340. An act to authorize an appropriation for construction at the Mountain Branch of the National Home for Disabled Volunteer Soldiers, Johnson City, Tenn.;

H. R. 6347. An act to amend section 101 of the Judicial Code, as amended (U. S. C., Supp. III, title 28, sec. 182);

H. R. 6416. An act for the relief of Myrtle M. Hitzing;

H. R. 6537. An act for the relief of Prentice O'Rear;

H. R. 6627. An act for the relief of A. C. Elmore;

H. R. 6663. An act for the relief of J. N. Lewis;

H. R. 6718. An act for the relief of Michael J. Bauman;

H. R. 6825. An act to extend the measure of relief provided in the employees' compensation act of September 7, 1916, to Robert W. Vail;

H. R. 6871. An act to amend the acts of March 12, 1926, and March 30, 1928, authorizing the sale of the Jackson Barracks Military Reservation, La., and for other purposes;

H. R. 7013. An act for the relief of Howard Perry;

H. R. 7026. An act for the relief of Mrs. Fanor Flores and Pedro Flores;

H. R. 7027. An act for the relief of Paul Franz, torpedoman, third class, United States Navy;

H. R. 7068. An act for the relief of Fred Schwarz, jr.;

H. R. 7638. An act to authorize the acquisition for military purposes of land in the county of Montgomery, State of Alabama, for use as an addition to Maxwell Field;

H. R. 7664. An act to authorize payment of fees to M. L. Flow, United States commissioner, of Monroe, N. C., for services rendered after his commission expired and before a new commission was issued for reappointment;

H. R. 8347. An act for the relief of the Palmer Fish Co.;

H. R. 8393. An act to authorize the Court of Claims to correct an error in claim of Charles G. Mettler;

H. R. 8491. An act for the relief of Bryan Sparks and L. V. Hahn;

H. R. 9246. An act to reimburse Lieut. Col. Frank J. Killilea;

H. R. 9280. An act to authorize the Secretary of War to grant a right of way for street purposes upon and across the Holabird Quartermaster Depot Military Reservation, in the State of Maryland;

H. R. 9628. An act granting the consent of Congress to the State of Arkansas, through its State highway department, to construct, maintain, and operate a free highway bridge across St. Francis River at or near Lake City, Ark., on State Highway No. 18;

H. R. 9990. An act for the rehabilitation of the Bitter Root irrigation project, Montana;

H. R. 10209. An act authorizing the appropriation of $2,500 for the erection of a marker or tablet at Jasper Spring, Chatham County, Ga., to mark the spot where Sergt. William Jasper, a Revolutionary hero, fell;

H. R. 10376. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 10461. An act authorizing Royce Kershaw, his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Coosa River at or near Gilberts Ferry, about eight miles southwest of Gadsden, in Etowah County, Ala.;

H. R. 10826. An act to provide for the renewal of passports;

H. R. 10919. An act for the relief of certain officers and employees of the Foreign Service of the United States, and of Elise Steiniger, housekeeper for Consul R. A. Wallace Treat at the Smyrna consulate, who while in the course of their respective duties, suffered losses of Government funds and/or personal property by reason of theft, warlike conditions, catastrophes of nature, shipwreck, or other causes;

H. R. 11088. An act for the refund of money erroneously collected from Thomas Griffith, of Peach Creek, W. Va.;

H. R. 11145. An act to increase the authorization for an appropriation for the expenses of the sixth session of the Permanent International Association of Road Congresses to be held in the District of Columbia in October, 1930;

H. R. 11371. An act to provide living quarters, including heat, fuel, and light, for civilian officers and employees of the Government stationed in foreign countries;

H. R. 11405. An act to amend an act approved February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes";

H. R. 11477. An act for the relief of Clifford J. Turner;

H. R. 11493. An act to reimburse Lt. Col. Charles F. Sargent;

H. R. 11515. An act to provide for the sale of the Government building site located on the State line dividing West Point, Ga., and Lanett, Ala., and for the acquisition of new sites and construction of Government buildings thereon in such cities;

H. R. 12099. An act to apply the pension laws to the Coast Guard;

H. R. 12263. An act to authorize the acquisition of 1,000 acres of land, more or less, for aerial bombing range purposes at Kelly Field, Tex., and in settlement of certain damage claims;

H. R. 12586. An act granting an increase of pension to Josefa T. Philips;

H. R. 12663. An act granting the consent of Congress to the Texas & Pacific Railway Co. to reconstruct, maintain, and operate a railroad bridge across Sulphur River in the State of Arkansas near Fort Lynn;

H. R. 12842. An act to create an additional judge for the southern district of Florida;

H. J. Res. 14. Joint resolution to provide for the annual contribution of the United States toward the support of the Central Bureau of the International Map of the World on the Millionth Scale;

H. J. Res. 306. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Massachusetts Bay Colony, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; and

H. J. Res. 322. Joint resolution authorizing payment of the claim of the Norwegian Government for interest upon money advanced by it in connection with the protection of American interests in Russia.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Friday, June 27, 1930, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BRITTEN: Committee on Naval Affairs. H. R. 1190. A bill to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 11967. A bill to provide for the appointment of an additional district judge for the southern district of Illinois; without amendment (Rept. No. 2030). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. S. 3064. An act to make permanent the additional office of district judge created for the eastern district of Illinois by the act of September 14, 1922; without amendment (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. DYER: Committee on the Judiciary. S. 3060. An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes; with amendment (Rept. No. 2033). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COCHRAN of Pennsylvania: Committee on Military Affairs. H. R. 10545. A bill for the relief of John S. Abbott; without amendment (Rept. No. 2032). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of South Dakota: A bill (H. R. 13174) to amend the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. MAPES (by request): A bill (H. R. 13175) to amend section 16a of the interstate commerce act by inserting (1) at the beginning thereof and by adding thereto a new paragraph numbered (2); to the Committee on Interstate and Foreign Commerce.

By Mr. BACON: Joint resolution (H. J. Res. 387) proposing an amendment to the Constitution to amend the eighteenth amendment; to the Committee on the Judiciary.

By Mr. WOOD: Joint resolution (H. J. Res. 388) making provision for continuation of construction of the United States Supreme Court Building; to the Committee on Appropriations.

By Mr. HILL of Alabama: Resolution (H. Res. 273) relative to the sale of power generated by the Government power plant at Wilson Dam; to the Committee on Military Affairs.

By Mr. PERKINS: Resolution (H. Res. 274) that there shall be paid out of the contingent fund of the House an additional sum not to exceed $25,000 in carrying out the provisions of House Resolution 114; to the Committee on Accounts.

Also, resolution (H. Res. 275) that there shall be paid out of the contingent fund of the House not to exceed $10,000 for the expenses of the select committee appointed under House Resolution 258 to investigate campaign expenditures of the various candidates for the House of Representatives; to the Committee on Accounts.

By Mr. ALMON: Resolution (H. Res. 276) relating to the disposition of power generated by the Government power plant at Wilson Dam; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENTZ: A bill (H. R. 13176) for the relief of Edward J. Webster; to the Committee on Military Affairs.

By Mr. ARNOLD: A bill (H. R. 13177) granting an increase of pension to Matilda Brown; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 13178) granting an increase of pension to Mary Ellen Powell; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 13179) granting a pension to Jennie Sands; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 13180) for the relief of Paul G. Lorenz; to the Committee on Military Affairs.

By Mr. COYLE: A bill (H. R. 13181) granting an increase of pension to Howard L. Rader; to the Committee on Invalid Pensions.

By Mr. HALL of Indiana: A bill (H. R. 13182) granting an increase of pension to Emma Welch; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 13183) granting an increase of pension to Rhoda Button; to the Committee on Invalid Pensions.

By Mr. HOWARD: A bill (H. R. 13184) granting a pension to Emma Stark Derr; to the Committee on Invalid Pensions.

By Mr. JOHNSTON of Missouri: A bill (H. R. 13185) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 13186) granting a pension to Andrew Stoner; to the Committee on Pensions.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 13187) granting an increase of pension to Sarah Ellen Cohn; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 13188) granting a pension to Alice Loughner; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7654. Petition of Sons of Confederate Veterans, at its thirty-fifth annual convention, which was held at Biloxi, Miss., expressing their appreciation to the President of the United States of America in his signing of the bill and making it possible for this great addition to our reunion; to the Committee on Naval Affairs.

7655. By Mr. BARBOUR: Telegram in behalf of twenty-first district, California, Congress of Parents and Teachers, urging passage of the Hudson bill (H. R. 9986) for the regulation of the moving-picture industry; to the Committee on Interstate and Foreign Commerce.

7656. By Mr. BLACKBURN: Petition of Railway Labor Executive's Association, signed by D. B. Robertson, chairman, urging the passage of the Couzens-Knutson resolution to stop further consolidation of railroads until Congress has enacted legislation to protect the public interest; to the Committee on Interstate and Foreign Commerce.

7657. By Mr. CULLEN: Resolution of the New York State Bankers' Association, indorsing House bill 12490, introduced by Mr. GOODWIN, of Minnesota; to the Committee on Banking and Currency.

7658. By Mr. YATES: Petition of Steel Sales Corporation, 129 South Jefferson Street, Chicago, Ill., urging the defeat of House bill 11096, relative to increase of postal rates; to the Committee on the Post Office and Post Roads.

7659. Also, petition of Bear & Brodie, Madison Street and Western Avenue, Chicago, Ill., protesting against the passage of House bill 11096, as in their opinion this legislation will not benefit anyone; to the Committee on the Post Office and Post Roads.

7660. Also, petition of John E. Baumrucker Co., 31 North State Street, Chicago, Ill., requesting the defeat of House bill 11096, as this is, in their opinion, unfair and unjust; to the Committee on the Post Office and Post Roads.

7661. Also, petition of Thomas Chorow, jr., president Old Glory Manufacturing & Decorating Co., 504–506 South Wells Street, Chicago, Ill., strongly opposing House bill 11096 and urging its defeat; to the Committee on the Post Office and Post Roads.

7662. Also, petition of L. M. Cobler, M. D., 190 North State Street, Chicago, Ill., urging the defeat of House bill 11096, as in his opinion it will not better the Postal Service; to the Committee on the Post Office and Post Roads.

7663. Also, petition of the N. Sure Co., wholesale general merchandise, Adams and Wells Streets, Chicago, Ill., unalterably opposed to House bill 11096 and urging the defeat of the above bill; to the Committee on the Post Office and Post Roads.

7664. Also, petition of Plibrico Jointless Firebrick Co., 1800 Kingsbury Street, Chicago, Ill., protesting against the passage of House bill 11096; to the Committee on the Post Office and Post Roads.

7665. Also, petition of the Reinauer Manufacturing Co. (Inc.), 1001–1016 West Washington Boulevard, Chicago, Ill., urging the defeat of House bill 11096, as in their opinion it is not good legislation; to the Committee on the Post Office and Post Roads.

7666. Also, petition of Victor A. Olander, secretary-treasurer Illinois State Federation of Labor, Chicago, Ill., earnestly requesting the immediate passage of the Saturday half holiday bill; to the Committee on the Civil Service.

SENATE

FRIDAY, *June 27, 1930*

Rev. James W. Morris, D. D., assistant rector, Church of the Epiphany, city of Washington, offered the following prayer:

Lord God of hope and peace, fill us, we pray Thee, with all joy and peace in believing, making us to abound in hope by the power of the Holy Spirit.

Let not any selfish disloyalty or menacing lawlessness that may disturb our land lead us to faithless fear or unfilial distrust. Endue with humility of spirit, calmness of judgment, and stanchness of will all those in authority over us that so by their endeavors our mighty Government, both at home and abroad, may be "first pure, then peaceable, forbearing, full of mercy and good fruits, that thus the fruit of righteousness may be sown in peace of them that make peace."

We ask these things in the name of Thy Son, who is our hope and our peace. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. Presiden, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fess	McCulloch	Simmons
Ashurst	George	McKellar	Steck
Barkley	Gillett	McNary	Steiwer
Bingham	Glass	Metcalf	Stephens
Black	Glenn	Moses	Sullivan
Blaine	Goldsborough	Norris	Swanson
Borah	Hale	Oddie	Thomas, Idaho
Brock	Harris	Overman	Thomas, Okla.
Brookhart	Harrison	Patterson	Townsend
Broussard	Hastings	Phipps	Trammell
Capper	Hatfield	Pine	Tydings
Caraway	Hayden	Pittman	Vandenberg
Connally	Hebert	Ransdell	Wagner
Copeland	Howell	Reed	Walsh, Mass.
Couzens	Johnson	Robinson, Ind.	Walsh, Mont.
Cutting	Jones	Robsion, Ky.	Watson
Dale	Kean	Sheppard	
Deneen	Kendrick	Shipstead	
Dill	La Follette	Shortridge	

Mr. SHEPPARD. The Senator from Florida [Mr. FLETCHER], the senior Senator from South Carolina [Mr. SMITH], the Senator from Utah [Mr. KING], and the Senator from Missouri [Mr. HAWES] are necessarily detained from the Senate by illness.

The junior Senator from South Carolina [Mr. BLEASE] and the senior Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate by reason of illness in their families.

Mr. SHIPSTEAD. I desire to announce the unavoidable absence of my colleague, the junior Senator from Minnesota [Mr. SCHALL]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, I ask unanimous consent that when we conclude the routine morning business we proceed to the calendar for the consideration of unobjected bills.

Mr. BINGHAM. Mr. President, may I ask if it is the intention of the Senator to begin where we left off on the last call?

Mr. McNARY. I should have asked that we begin at order 1126, where we left off on the last call of the calendar.

Mr. FESS. Mr. President, may I ask the Senator whether in his judgment we shall be able to reach those bills which were passed over on yesterday?

Mr. McNARY. Order of Business 1126 is on the next to the last page of the calendar, and then we will commence at the beginning of the calendar.

Mr. FESS. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.